

HOUSING PROBLEMS OF THE ELDERLY

HEARINGS
BEFORE THE
SUBCOMMITTEE ON
HOUSING FOR THE ELDERLY
OF THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
EIGHTY-SEVENTH CONGRESS
FIRST SESSION

Part 2—Newark, N.J.

OCTOBER 16, 1961

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- Part 5—St. Louis, Mo.

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HOUSING PROBLEMS OF THE ELDERLY

MONDAY, OCTOBER 16, 1961

U.S. SENATE,
SUBCOMMITTEE ON HOUSING
OF THE SPECIAL COMMITTEE ON AGING,
Newark, N.J.

The subcommittee met at 10 a.m. in the Grand Ball Room, Military Park Hotel, Senator Harrison A. Williams, Jr., presiding.

Present: Senators Harrison A. Williams, Jr., New Jersey (presiding); Jennings Randolph, West Virginia; Clifford P. Case, New Jersey; and Representative George Wallhauser, New Jersey.

Committee staff members present: Dr. Frank Atelsek, research director; Frank C. Frantz, professional staff specialist on housing; and John Guy Miller, minority counsel.

STATEMENT OF HON. HARRISON A. WILLIAMS, JR., A SENATOR FROM THE STATE OF NEW JERSEY

Senator WILLIAMS. It is a pleasure to welcome all of you to this hearing of the Senate Committee on Aging.

We are here for the first of a series of hearings to be conducted in cities—large and small—throughout the country. Between now and the time Congress reconvenes in January, 29 hearings in all are scheduled in 11 States. We will conduct a comprehensive inquiry into problems faced by our older citizens in a wide variety of communities and economic settings.

Now, why does the committee feel the need for this exhaustive attention to the problems and welfare of our senior citizens?

This can be answered partly by the statistical picture, the outlines of which are familiar to most of us here. Average life expectancy which in 1900 was 47 years, now is 70 years. Persons who now reach age 65 can expect to live another 14 years on the average, and the trend toward increased longevity continues. One million people are 85 years of age or older, and 5.6 million have reached the 75-year mark.

I said that this was part of the reason for the urgent concern of the committee. The statistics must be considered in the light of other trends in our national life—

The massive trend toward urbanization and the mushrooming and sprawling of our urban areas;

The movement of population to suburban subdivisions, dependent largely on individually provided transportation to link together the elements of a complete and viable community;

The changing land use and redevelopment of our central city areas displacing and dispersing old and established, although physically deteriorated, communities and neighborhoods; and

The mobility of our working population which geographically separates those in their middle years from their elderly parents.

There are many others that are relevant, but in short, as more people live longer after retirement, other major national trends are working to break up their established neighborhoods, displace them from familiar surroundings, foreclose them from a meaningful role in their communities, and build around them a physical world which for the most part they cannot cope with economically or physically.

In the face of these untraditional facts, we must reexamine and perhaps put aside many of our traditional ways of thinking about this segment of our population, and give careful study and attention to the new and unprecedented problems facing our elderly citizens.

A significant step in this direction was taken just last week at New Brunswick where a statewide conference was held on housing for an aging population. Governor Meyner opened this conference and described a challenging concept of continuity of care applied to housing and medical care.

The numerous Federal and State programs now existing which can be harnessed to benefit our elderly citizens were brought to the attention of the conference. Rev. Lawrence M. Uptom, of Montclair, called on civic and private groups to study particularly the possibilities of the new Housing Act. I sincerely hope that individuals and agencies will heed such advice.

One organization which is planning in a big way along this line is the New Jersey AFL-CIO. I was very interested to read the announcements yesterday of their plans for four projects totaling \$40 million to provide housing for elderly persons. These projects will use FHA financing under special terms for nonprofit sponsors of elderly housing. Mr. Charles Marciante is on our program this morning and perhaps he will tell us more about these plans.

We have come to Newark to learn about problems, programs, and progress in the most urbanized State in the Union. At the Federal level, we have added new programs this year to help our aged population, and we know that these programs will be put to work in New Jersey, where the State division of aging and many municipalities are working in many ways to help their senior citizens.

Our New Jersey population statistics clearly show that such attention is called for.

Our rate of increase for all population in New Jersey was 25.5 percent between 1950 and 1960, as compared with the national 18.5-percent rate of increase. And our citizens above the age of 65 increased at a rate of 42.2 percent, as compared with the 34.7 percent national rate.

And, to pinpoint the area of greatest concentration, 88.3 percent of the State's citizens who are over 65 live in urban areas. The national average is 69.6 percent.

We have come here today to be educated on what has been done and how existing or potential Federal programs can be geared to help most effectively. We hope, too, that the "Town Meeting" session this afternoon will give us the opportunity for real give-and-take discussion of the problems of aging in an urban community as they actually affect the individual.

It is important to personalize our studies in this way and to see these problems as they are seen by the individuals involved. The people in the group we sometimes call senior citizens are not alike. Their living circumstances and problems vary widely.

As a starting point, we might approach the subject of housing in terms of three broad groups whose needs are quite different: Elderly people with good health; older people who may have some chronic health problem but who can still get out and around; and a third group of the very old or very infirm. Each group faces potential problems that have never existed before. We will be particularly concerned about the impact of urbanism upon all three groups.

Increased longevity should be a national blessing. We should and will do all in our power to make certain that it is a blessing and not a doleful progression of gray, unhappy years for ever-increasing numbers of our population. By saying this, we set ourselves to a tremendous task. The schedule of the committee's work this fall should set a pace for continuing attention to these problems in the coming year, for the problems are with 17 million of us now, and we have no time to lose.

We are grateful for the presence here this morning of one of the senior members of the committee, Senator Jennings Randolph, of the State of West Virginia, and, of course, Senator Case the senior Senator from New Jersey.

Senator Randolph, do you have an opening statement to start this hearing?

Senator RANDOLPH. No formal remarks. I am very happy to be here with Senators Williams and Case. We will serve the purpose of this hearing better if I make no comment at this time.

Senator CASE. I don't know whether I can play a duet or not with the squeal of this microphone, but I want first to thank the chairman and the members of the subcommittee for permitting me to sit in in these hearings in my own State. I want to join with Senator Williams in welcoming Senator Randolph, whose interest in this subject goes back many, many years, as does our own association in the Congress of which we were Members when we were both younger for a long time.

I have a short statement which I would like, Mr. Chairman, if it is agreeable to you, to insert in the record because I agree completely that the purpose of this is not for Senators to make speeches but for us to hear from our constituents who have great concern with and great knowledge of the problems, perhaps some of the most important problems the country is facing. We want to hear from them.

So with your permission we will insert this in the record at this point.

Senator WILLIAMS. There will be no objection. We will be glad to have it.

STATEMENT OF HON. CLIFFORD B. CASE, A SENATOR FROM THE STATE OF NEW JERSEY

Senator CASE. I hope that this subcommittee, in the course of its hearings in Newark, today, in Trenton, next week, and around the country will be able to develop much information for a true understanding of the problems of the aging and for the development of sound solutions to those problems. I welcome the opportunity to sit in on this subcommittee's deliberations.

We are doing pretty well in New Jersey in the field of housing for the elderly. We should be doing more. In New Jersey, as everywhere else, the problems grow larger, decade by decade. For example, in New Jersey over the past 10 years the number of persons 65 and over rose from approximately 400,000 to 560,414—from 8.1 percent of the total population to 9.2 percent.

This shift in the age structure is dramatized even more impressively when we look at the breakdown by age groups. Over the decade, the total population of New Jersey increased 25.5 percent; the age group 45 to 64 increased 20.1 percent; and the age group over 65 increased 40.2 percent, which is well above the average for the country, 34.7 percent.

Even more impressive is the change among the oldest age group. The population 85 years of age and over during the same period increased 55.2 percent and is the fastest growing age group in the New Jersey population.

There was also an important change with regard to marital status. While there are 96 men for every 100 women in the total population of New Jersey, there are only 79 men for every 100 women after the age of 65. When we reach the age group 85 and over, there are only 55 men for every 100 women in New Jersey.

The greater longevity of women and therefore the frequency of widowhood point up the problems all too many of our older people face—desperately low incomes, lonely living arrangements, chronic disabilities, and passive withdrawal from community activities.

Are we giving sufficient thought to the special problems of environment? Do older people want to be segregated from their old community? From younger people? Of five public housing projects in Newark, three of the smaller ones have been built exclusively for housing the elderly. Are these people happier for their segregation by age? Would they prefer the environment of the public housing projects where only a limited number of units are set aside for the elderly? The answers to all these questions should affect the planning of adequate housing facilities.

Generally, mature couples, with their families grown up and on their own, are desirous of moving into smaller homes or apartments more suited to their late-in-life needs. Should we consider liberalization of Federal tax laws, including those pertaining to capital gains, in an effort to facilitate the sale of larger houses by our older people and their purchase of smaller homes?

Under Louis Danzig, the Newark Housing Authority has undertaken a vigorous program. New Jersey as a whole is a leader in public housing for older people.

We now have 1,359 units either in operation or construction in projects exclusively for older persons in New Jersey and 1,119 units in the preconstruction stage. This is a total of 2,478 units in 25 different projects exclusively for the elderly in New Jersey. In addition, New Jersey has 46 mixed projects which contain 3,036 units designed for the use of the elderly. Of these, 24 projects with 1,641 units are in operation or construction and 22 projects with 1,395 units are in the preconstruction stage.

These figures are as of June 30, 1961, and as of that date New Jersey had more projects either under construction or in the pipeline than any other State in the Union. This is a record worth noting, and indicates excellent cooperation among Federal, State, and local agencies.

But this isn't just a matter to be solved with public funds. In fact, private builders have been making considerable strides in our State, even without using the opportunities for securing public help in financing private rental housing for the elderly. Of the more than 140 projects undertaken under the section 231 program of the National Housing Act, none are in New Jersey. Section 231 authorizes special FHA mortgage insurance for the elderly, covering both nonprofit and profit rental projects.

And yet, more questions than answers remain. As has been suggested by George W. Grier, director, Conference Study of Housing for the Aging, Brookings Institution:

It seems logical that if we want to improve the housing of the elderly we should now first of all know something about their present situation. It turns out that our present statistical data gives us almost no help on this subject at all.

Although we know that there is a somewhat higher rate of inadequacies in dwellings occupied by older persons we know very little about the specific nature of these inadequacies, we know very little about what needs to be done to correct them. * * *

We should know a great deal more about the dwellings occupied by older people and what changes could be made in them to make them better.

We don't know how many dwellings occupied by older people have only minor defects which could be remedied with modest sums. We don't know how many require major renovation but still could be saved. We don't know how many live in perfectly satisfactory housing by all our present standards. * * *

Most of the statistics appear to show that over two-thirds of households headed by persons over 65 own their own homes. This is a very misleading figure in a lot of respects because it neglects completely the older people who live in households headed by someone else other than their children. These people may make up as much as one-third of the elderly population.

I can only sum up the available statistical data by saying they are almost no good for any reasonable purpose.

These are the kinds of questions which I hope this subcommittee will help to answer.

Senator WILLIAMS. Our first scheduled witness is Mayor Carlin, who wanted to welcome everybody here and make the introductory statement. I don't see Mayor Carlin here but I do see another representative in government, who I am sure has a crowded schedule, and perhaps we can hear from George Wallhauser, Representative Wallhauser of the 12th district. I hope you have better luck with the public address equipment than we had, George.

STATEMENT OF HON. GEORGE M. WALLHAUSER, A REPRESENTATIVE FROM THE STATE OF NEW JERSEY

Representative WALLHAUSER. Thank you, Mr. Chairman. I appreciate the opportunity to appear before this distinguished subcommittee today to testify on such an important subject to so many of our citizens, better housing of the aged.

This is a problem for everyone because whether we are in that group now or in the future, we are really considering improvements to our own welfare, either now or at some time in the future.

Every housing act enacted by the Congress in the past 5 years has provisions which give various Federal agencies the authority to assist in the effort to improve the lot of our senior citizens. They can provide Federal grants for the elderly with low incomes, they can insure private loans on more favorable terms for higher income families and they can make direct low-interest rate loans to nonprofit developers of housing for the elderly in the middle income group.

Further interest at the Federal level can be cited by the calling of the first White House Conference on the Aging by former President Eisenhower in 1960, and by the establishment of this Special Committee on Aging by the Congress.

The State of New Jersey has indicated its awareness of this problem in many ways, including the establishment of a division on aging, property tax abatement, and numerous State conferences and efforts to plan and execute various programs.

Labor, too, has recognized the crying need for action, and the National Association of Home Builders has established a special committee to encourage and assist private builders to construct housing especially designed for the elderly.

New Jersey is experiencing a tremendous growth in its aged population. In the last decade our 65 and over population increased 42 percent, 7 percentage points above the increase in this age group for the country as a whole. It is estimated that we have more than 560,000 persons in this group. Many of them have housing entirely satisfactory to their needs. However, there is a substantial minority which is not so fortunate.

I submit that different solutions are required to meet the differences in financial status among the aged and to serve differing preferences and capabilities. For example, some prefer or can only afford to rent accommodations; others prefer to buy. Some prefer communities made up primarily of their contemporaries; others prefer more diversified environments, with some portion of them allocated to younger age groups.

New Jersey has set a prime example in the field of public housing for the elderly with low incomes. We have proportionately more senior citizen public housing than any other State. However, I am not so sure that we have taken full advantage of other Federal offers of assistance. For the middle or high income groups, FHA can insure mortgages which the Federal National Mortgage Association may purchase, on new or rehabilitated rental projects of eight or more dwelling units, if at least half of the units are specifically designed for occupancy by persons 62 years of age or over.

And then, for the elderly with incomes too high for public housing, but too low for the above-mentioned FHA mortgage insurance pro-

gram, a program of direct Federal loans at lower interest rates and for longer terms than under the FHA program was inaugurated. Sponsors must show that they cannot obtain funds from any other sources on equally favorable terms. My information is that these plans are moving slowly here at home.

I respectfully submit some guidelines for your consideration and future legislative action, which I believe should be kept in mind.

(1) We should not require the elderly to live in housing on a completely segregated basis. Many believe that this kind of environment hurries their last days. Flexibility of standards is important.

(2) Locations of elderly housing should have as one criterion proximity to hospital facilities.

(3) Adequate recreational facilities and nearby opportunities for religious worship should be specified in the consideration of large-scale developments.

(4) Assistance for nursing homes as an adjunct to our overcrowded community hospital facilities should be studied and urged by appropriate agencies.

(5) Some designated Federal agency, such as the Housing and Home Finance Agency, should act as a clearinghouse for local, State, and private efforts in this important problem and should assist all efforts directed towards research and future planning.

I do not believe that Government has the complete and sole responsibility to meet the needs of the elderly unable to adequately provide for themselves.

As a member of the National Board of Directors of the Family Service Association of America, which comprises more than 300 social welfare agencies, I have had a continuing and constant interest in welfare problems. Our association has recently been given a substantial grant by a private foundation to undertake studies in 30 communities across the Nation in an effort to analyze and meet the many perplexities of the aged. I am currently serving as chairman of the advisory committee supporting a very able staff headed by Theodore Isenstadt, formerly director of the Jewish Family Association of Essex County, and we are hopeful that we will be able to make a contribution to the total effort within the 4-year period assigned to us by the grant.

I cite this as but one example of nongovernmental interest and activity. I hold that no matter what improvements are made in Federal housing legislation, it must be remembered that in the last analysis Federal legislation and Federal aid can only make inroads in meeting the housing requirements of the aged. How effectively the demand is met depends to a large extent on the resourcefulness and imagination of the community and our citizens living close to the needs.

In conclusion, I wish to thank the subcommittee for coming to New Jersey. I hope that the hearings will yield you much information that will be useful in your very worthy work. Thank you, Mr. Chairman.

Senator WILLIAMS. Thank you, Congressman. We no longer are a subcommittee. Because of the importance of the whole complex of problems this is now a select committee. And it is the second largest committee in the Senate. I think we have 21 members, which

establishes the importance in the minds of the Senators who wanted to serve on this committee.

Do you have any questions of Congressman Wallhauser?

Senator RANDOLPH. I would only supplement what Senator Williams has indicated about the interest in the Congress, especially in the Senate of the United States, in the subject matter of dealing effectively with this problem. Our efforts are based on information at the local levels with the subject of our senior citizens, the areas of aid and cooperation of these men and women. We are operating now as a Special Committee on Aging. We functioned during the 86th Congress under Senate Resolution 65, when that subcommittee was composed of five members from the Labor and Public Welfare Committee of the Senate.

Now in the 87th Congress, the Senate, sensing the vital importance of this subject matter in the overall, including housing for the elderly, created by Senate Resolution 33 of this special committee. And there are, as Senator Williams has told us, 21 Members of the Senate who are assigned to studying this growing problem. The hearings will be held in perhaps some 40 cities rather than the original 28 locations planned for taking testimony by the time the Senate reconvenes January 10, 1962, in the 2d session of the 87th Congress.

Mr. Chairman, I wish the record to show that it was my privilege to serve on the Civil Service Committee in the House of Representatives with your knowledgeable and diligent senior Senator from New Jersey, Senator Case. Although he is not a member of this committee, he has demonstrated his intense desire to be helpful, and sits with a most able member of the committee, Senator Williams, here today. The testimony given by Representative Wallhauser is helpful.

Representative WALLHAUSER. Thank you, Senator. I would like to say, Senator Williams, that when I referred to subcommittee I was aware of the fine committee that has been appointed, the special committee, but I thought that you were sitting as a subcommittee of the special committee.

Senator WILLIAMS. Well, as a matter of fact, you are right.

Representative WALLHAUSER. Thank you.

Senator WILLIAMS. I would point out at this point, too, that the staff director of the former Subcommittee on Aging, Sidney Spector, is with us. He is now director of the new housing program for the elderly.

Commissioner Matt Adams, of the department of conservation and economic development, did want to be here to testify this morning and he had conflicts and I understand Julius Seaman is here to represent Commissioner Adams. Mr. Seaman, you proceed in your own way.

**STATEMENT OF JULIUS SEAMAN, REPRESENTING MATT ADAMS,
COMMISSIONER, DEPARTMENT OF CONSERVATION AND ECO-
NOMIC DEVELOPMENT**

Mr. SEAMAN. Senator Williams, Senator Randolph, Senator Case, ladies and gentlemen, Commissioner Matt Adams has asked me to appear for him today because of a conflict in his schedule.

We are thankful for the opportunity to present some of our views with reference to the problems of the aging in the State of New Jersey.

For the past several years the need for housing for the aging in New Jersey is being recognized more and more. There are several factors which cause this problem and the first and most obvious one is the fact that the number of aging over 65 years of age, according to the 1960 census figures, is 560,000 people. This figure is more than double the number of aging over 65 for the year 1940. The increase has been over 100 percent in the last 20 years.

In addition, the aging population, or the aged people, have increased their desire to live independently. Formerly when they became aged it was common for them to be assigned to institutions or to live with their families. But now with increased social security payments and pensions they have the income, small as it is, that will enable them to live by themselves.

In New Jersey there is a spirit of cooperation between the Federal, the State, and local governments. For an example, under the State enabling legislation local housing authorities are organized to acquire land to operate projects, to build projects for families of low income.

Under a Federal program in the last several years some 30 housing authorities in New Jersey have constructed over 4,000 dwelling units exclusively for the aging population. New Jersey is outstanding in this field and I understand they are the leading State in the Union with reference to this kind of housing. This does not include the thousands of aging people who are also being admitted to local housing projects under the more liberalized provisions of the Federal legislation.

In addition to the local housing authorities the State has a limited dividend housing corporation law. This law enables persons—three persons or more to incorporate into a housing corporation for the purpose of building units for families of middle income.

Recently the Congress of the United States enacted into legislation section 221(d)3 of the 1961 Housing Act and this act provided for loans at below market rate interest. The provisions of the section 221(d)3, if incorporated with the "in lieu tax payments" of the limited dividend corporations law, I am sure will be constructively used in New Jersey to provide housing at approximately \$20 to \$22 per room per month.

There are several projects right now in process of being started.

One is in Asbury Park, where it is contemplated housing for 256 families will be built under the provisions of the limited dividend law and also under the provisions of 221(d)3. This project has now been processed through the FHA and should be ready for construction very shortly.

In the city of Paterson it is contemplated to construct about 800 family units in an urban renewal area under the provisions of the limited dividend law and section 221(d)3 and it is hoped that similar rentals will be attained in that area. This should provide housing for the elderly in the lower middle-income groups.

Governor Meyner in his annual message to the legislature proposed a bill, assembly bill 676, which would provide State assistance to supplement Federal legislation for the purpose of providing housing for the aged under the title II program of the 1959 Housing Act. This bill is now in the assembly and we are hopeful that some favorable action will be taken upon it. I thank you very much.

Senator WILLIAMS. Mr. Seaman is chief of the bureau of housing of the department of conservation and economic development.

Did you have any questions, Senator Randolph or Senator Case?

I just wanted to make sure that the record shows your position and your close association with the problems of housing. We are very grateful for your help this morning.

I think perhaps it would be wise now to follow this with Mr. Budd Chavooshian, who is director, Division of State and Regional Planning, State of New Jersey.

Mr. Chavooshian, we welcome you before the committee.

STATEMENT OF BUDD CHAVOOSHIAN, DIRECTOR, DIVISION OF STATE AND REGIONAL PLANNING, STATE OF NEW JERSEY

Mr. CHAVOOSHIAN. Thank you, Mr. Chairman. Distinguished Senators of the Special Committee on Aging, in a recent report of the White House Conference on Aging, January 9-12, 1961, it was stated that the commitment of the Federal Government in the field of aging is more recent than its commitment to aid individuals as workers, parents, or homeowners, et cetera; that increasingly, the Federal Government is being asked to aid individuals as senior citizens or retirees; and that the same philosophy that has successfully guided the Federal Government in its previous efforts to aid individuals should be followed in the case of new programs designed to help older people.

Present attempts to provide the legislative framework for solutions to the problems of the aged, however, are not meeting with complete success. The anticipated direct-loan program authorized under title II of the Housing Act, which provides for direct Federal loans to "private, nonprofit corporations" for the construction of rental housing for senior citizens, does not easily achieve the \$30 to \$50 per month rent which can be paid by senior citizens most in need of housing.

We have also seen many attempts of the Federal Government through FHA to solve the housing problem in the form of guaranteed loans which unfortunately have lacked the required ingredients that are necessary to keep rents at a reasonable level for our aged. Such experiences are serving to point out that this problem, like so many other problems, cannot be solved by approaches confined only to certain areas.

Here in New Jersey, our objectives for the aging are: mature independence, health protection, employment, economic security and, of course, housing, with the success of any one of these dependent on the others.

Through our various programs at the division of State and regional planning, we make every attempt to help accomplish these objectives. Through our bureau of regional planning, presently in charge of coordinating the area redevelopment administration's program in the State, we will be very interested in any economic enterprises which, in addition to bolstering the economy of depressed areas as a whole and providing greater employment opportunities, are seeking to employ those persons who as a result of old age have been retired, but

who are still physically capable and desirous of performing a useful job. Toward this end, we in the division of State and regional planning will not concentrate exclusively on the big industrial operations to shake an area out of the economic doldrums, but we will also concentrate on the shop-type operations such as boatbuilding and other craft operations, where people of all ages can be trained or retrained to do a useful job regardless of age. In such a manner, it is possible to allow our increasing aged to continue to earn supplemental income which would allow them to independently seek out their own housing, thereby minimizing reliance on federally aided old-age housing projects.

Presently, members of our bureau of statewide planning are actively engaged in the Green Acres program. Certainly, with the increase in average life expectancies, there are larger numbers of old-aged who, by virtue of social security and other retirement benefits, now have the increased time and means for recreational pursuits. Many of the lands provided, or that which would be provided under the Green Acres program, would be passive-type recreation areas designed especially to meet the needs of our Nation's elders. Although not specifically a housing program, it is through the promotion of such recreational areas that residential areas will have the added facilities to make a better living environment for the aged as well as others.

A particularly significant problem regarding the aged is that which frequently occurs in the course of urban renewal. In a recent study conducted by our staff of a nine-county area in northeastern New Jersey, it was found through a sample survey that next to nonwhite, households with elderly persons would be the hardest hit by a rehabilitation program calling for increases in housing costs. Of the total number of individuals over the age of 65 found among the sample households, two-thirds were found in households which would be displaced by a rehabilitation program costing more than \$500 per unit; that between 1960 and 1970, assuming a rehabilitation cost of \$3,000 per unit, it is likely that displacement for the elderly might number between 2,000 and 6,000 in northeast New Jersey.

Through our division's participation in the community renewal program, we are confident that more and more communities will begin to prepare for renewal needs such as reflected in the foregoing findings, through participation in this program. In so doing, the long-range housing needs for persons displaced by renewal will be more adequately determined with provisions being made to provide the type of housing necessary as it becomes needed. In so doing, the aged population, which frequently comprise a large percentage of those displaced by urban renewal, can be provided for in advance through either public housing or some other federally aided housing.

It is also our purpose in this program to insure that persons displaced as a result of urban renewal are not only assured of available housing commensurate with their means, but are also assisted in securing for themselves a place in the community which allows them to continue to actively contribute. We will be ever anxious to see how communities utilize their various social resources in providing individuals with the type of assistance they need to resume that contributive role.

Through our participation in the urban planning assistance program (better known as the 701 program), in which one of the prime objectives is to achieve the best utilization of resources, we are in a position to point out how a community's most valuable resources—its people—can be utilized. Such can be the case when the community's aged are not neglected, but are given the opportunity to actively contribute and participate.

To illustrate this, the planning of a public improvement such as a housing project for the aged might best serve the community if, rather than conceiving of one large project concentrated in one neighborhood, there were provisions for three or four separate housing facilities. In this manner, housing for the aged would not have a segregated characteristic, the greater distribution of the aged throughout the community would serve as a modifying influence, and a supply of persons would be distributed throughout the community from which could be drawn many persons to do domestic jobs. In addition to being able to supplement their income, the elderly would also be able to fulfill a necessary economic role in their community. In many other ways, the aged can be placed in a position whereby they can make very positive contributions to their community.

From these examples, then, it can be seen that in our attempts to meet the needs of the elderly, we are approaching the problem not only in terms of housing, but through a number of other ways, many of them aimed at giving some of our elderly an opportunity to show that they are quite capable of assuming the responsibility of providing their own housing needs if given half a chance.

And in all of our programs, gentlemen, every effort is being made to coordinate our work activities with those of the division of aging and the bureau of housing in our department. The former's primary responsibility is that of providing programs for the aging.

And, as Mr. Seaman has pointed out, the program of the bureau of housing and the department of conservation and economic development is concerned with solving the problems of all of our housing needs in the State, including those of the elderly. Thank you.

Senator RANDOLPH. The statement which has been presented is informative. In 1959 when our subcommittee conducted hearings in San Francisco, I particularly recall a visit of some of the members of the subcommittee to a tenement building in an area which had been marked for demolition. I especially remember a widow, 81 years of age, and she was resisting moving to an urban renewal project, an apartment which was being constructed and would be used for the elderly. And we asked why she wished to remain at home. We knew that she was subsisting solely on her social security payment. She had an apartment that she was paying \$20 a month to live in that was substandard. It was an inadequate place but she was contented.

She lacked for better living arrangements but it was home to her, Mr. Chavooshian. This was the neighborhood in which she had lived her life. She said she didn't want to go to the new location because her few friends were still in the neighborhood where she lived. "I

go to my church in this district. There won't be any church out there where I can go," she remarked with a sigh of disappointment.

I realize that such a plight becomes a problem—you have it—in working with these groups, these people within these groups, for this very same reason, or reasons, which I have indicated were very real to this widow in San Francisco. And you have placed your finger, as it were, upon an important fact. These housing units should be broken into smaller segments. Is that true?

Mr. CHAVOOSHIAN. Yes, sir.

Senator RANDOLPH. We had many people who told us that these housing projects—I can remember the expression over and over again—were too far distant, they were away from familiar scenes. I remember one man saying, too far out, meaning too far away from where he had lived his life.

This is a difficulty. What are you doing about it in New Jersey?

Mr. CHAVOOSHIAN. Well, Senator, the problem does exist. And I think here in Newark and other cities in the country—I believe Philadelphia has also attempted it—but as far as Newark is concerned, Mr. Danzig will speak more to that, but an attempt is being made to avoid the segregated housing, avoid this problem that you spoke about of the widow being moved away from her neighborhood, by providing these smaller units and dispersing them throughout the city, and perhaps right within the urban renewal project area, or adjacent to it.

I must admit, however, that there are some cases in the larger cities, no doubt, in New York, and the other large cities, where this may not be completely possible, where large housing, multistory housing, will have to be provided because of the lack of space, or because of the lack of opportunity, and to some measure, perhaps, the lack of acceptance on the part of the citizens to have this kind of housing dispersed throughout their neighborhood.

This again comes back to the old story of education and getting the people of the city to realize that having segregated housing—whether it be for the aging or for any other group—is not in the best interest of the municipality, that you do deter these people from a better way of life and thus in turn, from making a contribution to their communities.

Senator RANDOLPH. Mr. Chairman, I compliment Mr. Chavooshian on having indicated that here in this area—you speak for Newark?

Mr. CHAVOOSHIAN. No, sir; I speak for the State of New Jersey. But I understand that Mr. Danzig is to be a witness, also, and he will speak of the Newark program.

Senator RANDOLPH. Specifically for Newark?

Mr. CHAVOOSHIAN. Yes, sir.

Senator RANDOLPH. But in New Jersey you do recognize that rather than just a large project you wish to break the housing up into smaller projects to meet the very objection which I mentioned of the widow in San Francisco, which is multiplied thousands of times. Is that correct?

Mr. CHAVOOSHIAN. Yes, Senator. And we have this opportunity in our urban planning assistance program. As I said, the so-called

701 program under the Housing Act provides planning assistance to many communities which have urban renewal problems. We have in New Jersey over a hundred municipalities participating in this program. In many of them, a large segment of the families that live in urban renewal projects consist of the aging. This creates a problem. However, we are trying to get across the idea of these smaller units rather than large multistory projects for the aging.

Senator RANDOLPH. Our microphones apparently are not working. I do feel that the guests, Mr. Chairman, here today, are intensely interested not in what I say but in following the proceedings of this hearing.

What do you do in New Jersey in providing health programs and recreational facilities when you plan a housing project?

Mr. CHAVOOSHIAN. Senator, I am afraid you have me cornered on that one. I am not familiar with the programs of the health department or the various local health boards. I think Mr. Seaman, who is chief of the bureau of housing, could perhaps answer that question better than I. But I would assume, knowing the New Jersey Health Department, and knowing of its interest at the local level in trying to beef up, so-called, the local health boards, and knowing also the activities of the numerous local housing authorities in our State, that there is a very serious consideration on their part in trying to provide all of the needs of all of the people who must live in public housing.

Senator WILLIAMS. I wonder, Mr. Chavooshian, whether you are familiar with what is being done in metropolitan areas, in communities where planning has now matured, and most cities that I am familiar with have developed or are developing master plans for redevelopment and development of their metropolitan community, would you say that these communities who are now planning are, in their plans, taking account of the special environmental needs of elderly people?

Mr. CHAVOOSHIAN. Senator Williams, for the most part, those who are participating in our local planning assistance program are taking this into consideration because we, the State, require this as part of the scope of services of the consultants who perform the services for the municipalities. Our one big program in New Jersey, which I think has national significance, and it must have because it does receive Federal and under the Housing Act of 1954, as amended, is the so-called section 314 program, the demonstration program, I referred to this program in my paper when I mentioned the urban renewal surveys of the nine-county northeastern New Jersey region.

Some years ago, about 2 or 3 years ago, we in New Jersey, Senator, felt that because New Jersey is an older State, and because we have large metropolitan regional problems, and because we do have a tremendous potential for urban renewal, that it was unwise for municipalities within a given region to continue with their urban renewal programs without considering the relationship between their problems and those which existed within the region as a whole. In other words, if a municipality undertakes an urban renewal project within a region it should not confine itself to its own municipal bound-

aries only without relating its program to the region, and without considering the implications of the urban renewal project of that municipality upon the region, or vice versa, the effect of the regional development upon that particular urban renewal project. We felt, therefore, that it was essential to put together a body of knowledge whereby the various municipalities within at least the nine counties of the northeastern New Jersey region would have more information and would have more knowledge of what happens within a region with respect to their urban renewal program.

It was through this program, which is now completed—and Sidney Willis, who is also a witness, was the project director and who is now planning officer for the city of Jersey City, will speak more to that, if you wish. However, from this project we were able to provide more information which will be published as soon as the Federal Government has had an opportunity to review and return it to us. At that time we will publish it and give it general distribution, not only within the region but across the Nation. We have been able to determine a number of things, such as: What is the marketability, for instance, of an urban renewal project as it relates to a region; what are the housing problems within a region; can you clear out all of the slums in Jersey City or in Newark and be able to provide for the housing needs of all the people who will be displaced in these slum areas? In other words, is the potential there, or, if not, what needs to be done in the way of federally aided housing, or in the way of new State programs, to provide for the housing needs of all these people?

And in many other respects we have been able to put together this body of knowledge whereby many of the municipalities now participating in urban renewal, or will be getting into urban renewal, will have a better understanding of what the problem is, not only within their municipality but how it relates to the region as a whole.

For the most part, in New Jersey within metropolitan regions, such as the northeastern New Jersey region, the Camden region, and the Trenton metropolitan area, many municipalities are undertaking planning programs. Many of these cities are also beginning to talk more and more in terms of regional planning. And within the State, as you know, Senator, we have several regional planning bodies. One that you are particularly familiar with is the Meadowlands Regional Development Agency, which is a regional planning body of a sort. We have, also, the Pinelands Regional Planning Board, a thousand square mile area in Burlington and Ocean Counties, which has also undertaken regional planning. And we have several other regions within the State which are about to embark upon regional planning.

But, again, the one big program is the 314, the demonstration program. Because we undertook that program in the northeastern nine-county region, this area will now have a greater understanding of what the total problem is with respect to urban renewal as a regional concept.

Senator WILLIAMS. We will look forward to Mr. Willis, who comes from Jersey City as planning director, and will expect from him a description of what Jersey City, one of our most wholesome cities, is doing in meeting the special needs of elderly people within their plans for renewal. Thank you very much.

Mr. Louis Danzig, director of the Newark Housing and Redevelopment Authority, is with us, and we will hear from Mr. Danzig now. We had an appointment at 8:30 at the Otto Kretchmer Homes. Mr. Danzig was there. I ultimately got there, Mr. Danzig, but after you had left. But I can see that this development, which you no doubt will describe, is beautiful housing and it is designed especially for elderly residents.

STATEMENT OF LOUIS DANZIG, DIRECTOR, NEWARK HOUSING AND REDEVELOPMENT AUTHORITY

Mr. DANZIG. Senator Williams, Senator Case, Senator Randolph, ladies and gentlemen, we in Newark are greatly heartened to know that problems of our senior citizens are receiving national attention focused through the hearings and studies conducted by this distinguished committee.

Since our cities have become huge reservoirs for low income and lower middle income families it is reasonable to assume that most elderly families in these income levels reside in the cities.

Like many other large cities throughout the country, Newark, N.J., has been confronted with the problem of providing suitable housing for our senior citizens—a problem which grows more urgent as our elderly population increases.

As long ago as 1956, the Congress of the United States recognized the seriousness of the situation and enacted legislation defining the elderly family to include the single person and provided \$500 additional per room for physical amenities in addition to normal construction costs for public housing. Local housing authorities were also authorized to give preferences to the elderly for admission to any public housing suitable to their needs and to waive, for the elderly, the requirements of the U.S. Housing Act that families admitted to public housing must come from substandard dwellings.

Accordingly, in the last 5 years, the number of elderly persons families in our developments has increased to more than 1,539 out of a total occupancy of 7,325 families. Schedule A attached hereto indicates the extent of the Newark Housing Authority program for the elderly—766 dwelling units in process of completion—together with a list of the amenities incorporated therein.

The design and facilities planned for this housing was accomplished by the housing authority in cooperation with a special committee of the Council of Social Agencies.

Schedules B and C attached show a breakdown by number of families, sources of income and rents paid by elderly families in Newark's low-rent housing program. An analysis of these schedules reveals 1,539 such families paying an average rent of \$35 per month

against an operating cost of \$50 per month exclusive of debt service. The U.S. Housing Act of 1961 in granting a \$10 per month additional subsidy substantially corrected this apparent lack of economic feasibility.

Amendments to the U.S. Housing Act which made possible the rapid advance of urban renewal have accelerated our needs to provide housing, at rents people can afford to pay, not only for our senior citizens but for middle-income families of which our aging population is a part. Modest estimates within the next 5 to 10 years indicate the displacement of over 10,000 families of low and middle income of which more than 2,000 are expected to be elderly families in addition to 1,225 such families currently on application. Our experience indicates an additional 2,500 applicants on the announcement of the availability of our new elderly housing this December.

The Newark Housing Authority learned a long time ago that physical facilities and amenities while indispensable are only basic to other, just as important, human and personal needs.

In the case of regular tenants—that is, nonelderly—we have been obliged to create a tenant relations division. Its function is to cooperate with social agencies in resolving some of the many problems which plague these families. We now find that at least one out of five elderly families have problems requiring agency attention.

In our newly programed units for elderly families, the board of health of our city has promised a diagnostic service and the Visiting Nurses' Association has promised regular visitations through the Council of Social Agencies. The project management staff has cooperated with the tenant councils in establishing golden age clubs. At present there are 9 golden age groups at different project locations, for a total enrollment of 700 to 800 active members.

The authority has kept a close analysis, over the years, of the desires and aspirations of thousands of elderly persons who apply at our tenant selection office and reside in our housing developments.

We are impressed by their overwhelming sentiment for the kind of housing which will give them the sense of dignity, self-assurance and independence which is their right. Our experience indicates that there is a need for something more, something larger in scope to relieve our elderly citizens of economic hardship, physical and mental stress, loneliness, idleness, and boredom.

The tremendous and spontaneous nationwide interest in our elderly citizens should indicate to all of us that in our great democracy elderly people do not want institutional care. It appears evident that they would rather face their future in the kind of decent, livable housing in a wholesome community atmosphere which we trust your committee will develop through legislation. To achieve the maximum goals possible, it will be necessary to provide additional financial aid for low rent and middle income housing for the aging; to authorize local housing authorities to contract for social, health, and recreational services with local public and private agencies; and to allocate additional funds to compensate these agencies for these much needed services.

With such legislation as an objective of your committee, we feel that our elderly citizens would be well on their way toward a greater fulfillment of their golden years. Thank you.

(The material referred to above follows:)

SCHEDULE A

Public housing projects containing special units for the elderly

	<i>Units</i>
Stella Windsor Wright Homes, completed 1959.....	24
Otto E. Kretchmer Homes, completed 1961.....	196
Stephen Crane Village, to be completed 1962.....	196
Wm. P. Hayes Homes, to be completed 1962.....	98
Project N.J. 2-19, to be completed 1962.....	252
Total.....	766

Special facilities and amenities included as follows:

1. Special low tubs, nonskid.
2. Wider doors to accommodate wheelchairs.
3. Nonskid floors (nonskid ceramic in bathrooms).
4. Special electric ranges.
5. Grab bars at tub.
6. Grab bars at toilet.
7. Illuminated switches and controlled from both sides of two-door rooms.
8. Separate leisure-time rooms in each building with kitchen and rest rooms.
9. Elimination of door saddles (tripping hazard).
10. Low shelving and cabinets.
11. Doors on all closets and cabinets.
12. Extra large medicine cabinets.
13. Bathroom doors to open out.
14. Available clinic in each building.
15. Baseboard heating with continuous cover.
16. Bifold closet doors.
17. Hi-speed elevators (no prolonged waiting).
18. Extra large elevators to accommodate stretchers, etc.
19. Elevators stop at every floor (no skip stop).
20. Continuous handrails in halls.
21. Outdoor sitting and recreation areas (shuffleboard, checker tables, etc.).

SCHEDULE B

ELDERLY FAMILIES RESIDING IN NEWARK'S PUBLIC HOUSING

As of April 1, 1961, the Newark Housing Authority had 7,325 families who had been living in its projects for longer than 6 months.

Of these families, 1,539, or 21 percent, had heads who were 65 years of age or over. These 1,539 families included 704 single persons and 709 two-person, 93 three-person, 23 four-person, and 10 five-person or larger families.

While the elderly families pay an average rent of \$35 per month, two-thirds of the 1,539 elderly families, or 1,030, had incomes of less than \$1,900 and paid rents of less than \$35 per month. Fifty-eight percent of the elderly families, or 778, had incomes ranging from \$500 to \$1,500 and paid minimum rents of \$28 per month.

Of these 778 elderly families paying minimum rents, 564 were single persons, 202 were 2 person families, 11 were 3 person families, and 1 was a 4 person family.

Only 28 of the 778 families had 1 or more workers. Of the remaining 750 families, 600 were receiving social security; 138 were receiving old-age assistance from Essex County; 8 were on public relief, and the others had income from other public benefits or support from relatives and other sources. Some families in this total had income from more than one source.

Among the 1,539 elderly families, 1,385 were receiving some form of public assistance and 155 were receiving other public benefits, and 87 were dependent wholly on help from relatives, alimony, private pensions, or savings.

Of all the elderly families, 86 percent had no working member and were dependent on some form of public or private assistance; 75 percent were receiving all or part of their income from social security; 14 percent were receiving help from the county's old-age program; 6 percent were receiving benefits for service-connected disability or death; and 5 percent were being helped by relatives or using savings.

SCHEDULE C.—Families in Newark Housing Authority projects, by rents paid; elderly families, by rents paid, by size, by source of income—
Public assistance and benefits and other assistance, April 1961

Rents	\$28	\$29	\$30	\$31	\$32	\$33	\$34	Total less than \$35	\$35 to \$39	\$40 to \$49	\$50 to \$59	\$60 to \$69	\$70+ and over	Total all
All families (number).....	1,342	125	81	74	91	263	103	2,079	416	1,173	1,111	984	1,562	7,325
Elderly families (head 65 and over) (number).....	778	43	39	34	34	75	27	1,030	134	215	76	42	42	1,539
Elderly families (as percent of all families).....	57.9	34.4	48.1	45.9	37.4	28.5	26.2	49.5	32.2	18.3	6.8	4.3	2.9	21.0
Percent of elderly families in each grade.....	50.6	2.8	2.5	2.2	2.2	4.9	1.7	66.9	8.7	14.0	5.0	2.7	2.7	100.0
Elderly families:														
By number of persons.....	778	43	39	34	34	75	27	1,030	134	215	76	42	42	1,539
1 person.....	564	17	8	8	4	10	6	617	29	50	5	1	2	704
2 persons.....	202	21	27	23	29	64	19	385	94	129	54	29	18	709
3 persons.....	11	4	4	1	1	1	1	23	8	29	12	7	14	93
4 persons.....	1	1		2			1	5	2	5	4	2	5	23
5 persons.....									1	2	1	2	1	7
More than 5 persons.....												1	2	3
Receiving public assistance.....	749	37	40	34	34	84	27	1,004	115	169	49	26	22	1,385
Old age (from county).....	138	4	4	4	4	37	2	193	8	10	2	4	1	218
Aid to dependent children.....	2	0	0	0	0	2	0	4	1	3	1	1	1	11
Commission for blind.....	1	0	0	0	0	2	3	3	0	1	0	0	0	4
Public relief.....	8	0	1	0	1	3	0	13	0	2	0	2	0	17
Social security.....	600	33	35	30	29	42	22	791	106	153	46	19	20	1,135
Receiving other public benefits.....	35	7	3	1	2	2	3	53	15	40	24	12	11	155
Service-connected disability and death (VA).....	18	3	2	0	1	2	1	27	14	26	16	8	7	98
Non-service-connected disability and death (VA).....	6	4	1	0	0	0	1	12	0	4	2	1	1	20
Unemployment and disability (State).....	4	0	0	0	0	0	1	5	1	3	4	2	1	16
Municipal-State pensions.....	2	0	0	0	0	0	0	2	0	4	2	1	2	11
Federal pensions, civilian.....	1	0	0	0	0	0	0	1	0	1	0	0	0	2
Railroad retirement.....	4	0	0	0	1	0	0	5	0	2	0	0	0	7
Armed Forces retirement.....	0	0	0	1	0	0	0	1	0	0	0	0	0	1
GI student-on-job training.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Receiving no assistance/benefits.....	61	7	1	2	1	2	2	76	15	36	20	10	20	177

With no workers.....	750	42	35	33	33	71	25	989	107	179	41	13	5	1,334
With 1 or more workers.....	28	1	4	1	1	4	2	41	27	36	35	29	37	205
With no workers and no assistance/benefits.....	54	5	0	1	0	1	1	62	4	20	1	0	0	87
Separate support (alimony).....	3	0	0	0	0	0	0	3	0	2	0	0	0	5
Contributions from relatives.....	41	5	0	1	0	1	0	48	2	14	1	0	0	65
Allotment from servicemen.....	0	0	0	0	0	0	1	1	0	0	0	0	0	1
Pensions, private business.....	5	0	0	0	0	0	0	5	1	4	0	0	0	10
Workmen's compensation.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bank accounts, investments.....	5	0	0	0	0	0	0	5	1	0	0	0	0	6

Senator WILLIAMS. Thank you, Mr. Danzig. I sense a certain agreement with those statements you have made here this morning and I just hope that we can look forward in the months to come to continued close association with you and that we can draw on your knowledge and experience in this field, particularly when we get to the housing bill that will be coming on for hearings when Congress reconvenes.

Senator RANDOLPH. I commend those persons, including Mr. Danzig, who are interested—who are more than interested, they are producing results. And in Newark I have been somewhat amazed and much gratified at the effort, intelligent effort, which is going forward. You do recognize, even with your leadership, that there is substandard housing in Newark. Is that correct?

Mr. DANZIG. There were 22,000 additional units we are dedicated to tear down, Senator.

Senator RANDOLPH. Thank you very much.

Senator CASE. I want to thank Mr. Danzig, also, for his testimony as well as for the job he has done over these years. Just two things I would be very glad to have you comment about. One is, it is my understanding that especially in the older age groups the proportion of women to men is very much higher than in the population as a whole; is this your experience here in Newark?

Mr. DANZIG. This is generally true nationwide and it is, of course, true in public housing as well.

Senator CASE. Does it raise any special problems or suggest any special new approaches that we ought to be taking into account?

Mr. DANZIG. We need to take into account, Senator, the need for leisure time activities that will bring to these people some measure of supervised direction. We have developed at Kretchmer Homes, and in two or three other locations, such rooms as diagnostic centers, such rooms as leisure time rooms, kitchens, and health clinics, sitting out areas, shuffleboard areas. But our experience over some 20 odd years in public housing has been that when the facility, the physical facility that is part of the housing development, is all that is provided—and no equipment and no professional supervision—that these facilities generally languish. In the financial program in public housing, we are bound lock, stock, and barrel to a financial plan that is some 20-odd years old, dating back to the Housing Act of 1937, in which the subsidy, if you please, merely runs to the repayment of the cost of construction of the physical facilities and the amenities and actually is geared to the payment of the debt service and none of the subsidy may be used for operational costs.

For the first time in the 1961 legislation has subsidy run to the operational needs of the program. The program is a whole lot different today than it was 25 years ago. We now have many broken families, we have an abundance of youngsters, future Senators, if you please, and an abundance of senior citizens.

These people need the attention that the community, the cities, can ill afford to provide. And we spend all this money for dwelling units with nothing for services and for the lack of a nail the shoe is lost, and so forth, gentlemen.

Senator CASE. A month or two ago there was an article in Harper's about housing that I am sure you are familiar with. It dealt especial-

ly with the question of delinquency, and also of crime of all sorts, in these big public housing developments in areas which are now largely occupied by public housing. And the suggestion made was that in at least—and I am not directing this to Newark because it has not been my experience or judgment that this applies here—but that in the areas, and I think New York City was particularly in mind, where the neighborhood had been destroyed, or great high rise apartments, very few people around, you didn't have the butcher and the shoe-shine fellow, you didn't have people looking out their windows into the street to see whether the next fellow's kid was going to be hurt, or run over, or whether somebody was taking a girl away, kidnaping her, and all the rest of it, whether this kind of thing in your experience, that is, the need for a real neighborhood and a re-creation of neighborhoods in these new developments to take the place of the old-fashioned neighborhood where the people took care of each other, in a great sense, whether this has been a problem in the city of Newark in your experience.

Mr. DANZIG. Well, this comes under the heading of nostalgia. People think in terms of the old neighborhood that they departed from 20, 30, 40 years ago. If they would only go back to the old neighborhood, it isn't what she used to be, like the old gray mare. The houses are much older and the amenities are no longer there. They are just plain filthy slum hovels, and all the things that we thought about, that the neighborhood was, is no more. We find that regularly in every slum site we tear down. So that we attempt to re-create neighborhoods through housing programs and then we fall short of including in the housing developments enough facilities and enough supervision and enough direction.

And on the subject of juvenile delinquency, Senator, you know that idle hands will mischief make. And there is very little point in providing, as we have in Newark, acres and acres of open areas, which are black topped for play, and grass areas for playing, indoor recreation halls for recreation, and a variety of other leisure time activities facilities with no supervision, with no planned programming. And so the idle hands continue to make some measure of mischief even in Newark's program.

Senator CASE. I am very much obliged to you for that particular.

Senator WILLIAMS. There are many specific inquiries we would like to make. We have a crowded schedule. We would like to submit them to you in writing and you could reply in writing.

Mr. DANZIG. I would be very delighted to.

Senator WILLIAMS. We certainly will lean on you, Lou Danzig, because of the wealth of experience and understanding that you have in the field that we are specifically talking about this morning.

Senator WILLIAMS. There are two men in this State who share a unique and important opportunity. One of them will shortly be the next Governor of the State of New Jersey. The committee thought it altogether appropriate and important to invite each of the candidates for Governor to be with us this morning to give us the benefit of their thinking on the problems that we are here discussing.

I see Judge Richard J. Hughes is here and we on the committee know a little about schedules along about October 16 and I think we would be well advised to accommodate Judge Hughes by bringing him forward at this time.

STATEMENT OF JUDGE RICHARD J. HUGHES

Senator WILLIAMS. I believe you certainly know Senator Case.

Mr. HUGHES. I do.

Senator WILLIAMS. I don't believe you met Senator Randolph of West Virginia. Judge Hughes.

Mr. HUGHES. I am very glad to know you. Thank you.

I appreciate very much the committee permitting me this out-of-time scheduling, Senator.

Mr. Chairman and Senators, it is a privilege for me to be asked to present a statement to your committee on the problem of housing for the aged. It is a problem of particular concern to New Jersey because 560,000 residents of our State, or 9 percent of our total population, are 65 and over. Eighty-eight percent of them live in urban areas.

We are all well aware of the growing span of life, and rejoice in it, but let me illustrate it in the case of New Jersey by pointing out that 20 years ago we had only 279,000 persons over 65, and 10 years ago less than 400,000. And it is estimated that by 1970 our over-65 population will reach the figure of 700,000.

In recognition of the special needs of this large and growing group there was established in the administration of Gov. Robert B. Meyner a division on aging, one of the pioneer agencies of its kind in the country.

It is the function of this division to make a continuing study of housing, medical, recreational, educational, and other questions that concern our senior citizens so that they may live out their lives as self-respecting and useful members of society.

It is also the function of this division to make specific recommendations to the Governor, to the legislature, and to the public at large. The division will become an increasingly valuable arm of the State government as time goes on.

I think the committee might also be interested in the fact that New Jersey voters recently approved a measure which permits a tax exemption of \$800 on the property of senior citizens who meet certain income qualifications. The intent of this measure was to lighten the burden on elderly people so that they might find it possible to continue to live in their own homes. And more than 103,000 homeowners have been allowed this exemption to date, forgiving them of \$7 million in taxes. In many cases, I am sure, this tax exemption is an important factor in stabilizing housing conditions for senior citizens and thus comes within the purview of your inquiry here.

I take it that one of the purposes of this hearing, aside from the light it might throw on future congressional action, is to acquaint the public and governmental agencies with the provisions for old-age housing that are already on the books. I will refer later to some of the Federal programs that are available, particularly as a result of the massive housing bill proposed by President Kennedy and passed by Congress this year.

But now I should like to point to New Jersey's progress in the field of low-rent housing under a Federal program implemented by a State enabling act.

This State has become, indeed, No. 1 in the Nation. Under 33 local housing authorities New Jersey has 50 projects with a total of 3,655 units either finished and occupied or in various stages of development. These projects comprise 20 percent of all that are being programed in the United States. Moreover, they do not include the thousands of elderly persons being admitted to existing low-rent housing under liberalized requirements.

New Jersey's limited dividend housing law makes it possible for three or more citizens to form a housing corporation to construct and operate housing for families of moderate income with a return limited to 8 percent.

When the tax provisions of this statute were combined with the Federal financing aids, it was possible to build the College Tower Apartments in Jersey City. That consists of 320 units renting from \$85 to \$95 a month for five-room, two-bedroom units, including utilities. College Tower is so desirable that it has a waiting list of 150.

Similar projects are underway in Asbury Park and Paterson. The Monroe Towers Apartments in Asbury Park will be a 14-story building with 256 units. Monthly rentals there will be \$25.50 a room. An FHA commitment of \$4 $\frac{1}{4}$ million has been approved, and final papers are now being processed.

The Paterson project will be located in an urban renewal area with 4 buildings and 800 families. Construction should start in a few months.

These are examples of what local, State, and Federal action working together can achieve in bringing down the cost of rentals. When it comes to older people, cost is of prime importance because retirement and semiretirement means a sharply reduced income. In 1959, according to the Census Bureau, the average income for all families was \$5,417, but for families headed by persons over 65 the average income was only \$2,831. On an individual basis, 50 to 60 percent of persons 65 or older have cash incomes of less than \$1,000 per year. Of course, many of them have savings and other assets accumulated after a lifetime of work.

In a recent analysis of the income problem of the aged, Sidney Spector, of the Housing and Home Finance Agency, concludes that 17 million persons over 65 have incomes and liquid assets for several types of markets as follows:

A very large number of families, from one-fourth to somewhere less than one-half, have such low incomes as to be eligible for public housing. Most families have sufficient income to secure housing in a private market but the majority of them require assistance through long-term, low-interest rates or mortgage insurance to achieve it. A small proportion could achieve good housing without any assistance. Half of the aged persons living alone or with nonrelatives have such low income as to come within the public housing range. The other half might come within the private market but Government-assisted programs would be needed. Most of the aged living with relatives fall within the very lowest income categories and would need public or Government-assisted housing to meet their income levels.

Connected with low income is the problem of health. Governor Meyner finds the numerous letters that stream into his office concerning problems of the aged fall into two categories: requests for adequate housing and for a means of meeting the cost of medical care.

Since housing and health costs go together, it is not a mere digression for me to point out that 77 percent of all aged persons have one or more chronic illnesses as compared with only 30 percent of age groups under 65. The aged are 9 percent of the population but they make up 55 percent of all persons with limitations due to chronic illness.

Older persons also spend twice as much time in hospitals as age groups under 65 and are admitted more often. Quite often an elderly person adequately housed will suffer a catastrophic illness that causes him to remortgage or to give up his home entirely. Therefore, I sincerely hope that the next Congress will pass President Kennedy's bill for medical care of the aged as a part of the established social security system.

Under this system no aged person would need to undergo a humiliating "needs" or welfare test. He would receive hospital and nursing home care as a right. The cost would be financed by levies upon employer and employee just as old-age assistance is now financed in accordance with the traditionally American principle of insurance. The United States is now the only remaining industrial country in the civilized world that lacks a comprehensive health plan and one is particularly urgent, as the statistics show, for persons over 65.

It would be presumptuous for me to describe to this committee in detail the actions that Congress has taken, particularly in this year's housing law, to stimulate housing developments of all kinds of benefit to senior citizens. The programs include aid to single-family home purchases, aids for private rental housing, direct Federal loans at low rates to senior citizens whose incomes are too high for public housing but too low for private housing, authorization of more public housing to the extent of nearly 35,000 units, housing aid to nursing homes, middle-income housing both for sales and rental. Suffice it to say that the Federal housing laws now on the books envision almost any financial situation in which the elderly may find themselves. As the advantageous terms of these enactments become known it can be expected that States and municipalities and local housing authorities and private corporations will swing into action to use these new instrumentalities and therefore to ease the mounting pressure for decent living conditions for our senior citizens.

As it happens, I am running for the office of Governor of New Jersey and, if I am elected by the people in November, I will take prompt action to see that every interested agency or person, public or private, in the State of New Jersey makes use of the inviting inducements offered by the National Housing Act of 1961.

Senator WILLIAMS. Thank you very much.

Mr. HUGHES. Thank you. I will file this, if I may, with the committee.

Senator WILLIAMS. We are very grateful for this strong statement of understanding of the problems that the committee is discussing this morning.

Senator Randolph, do you have any questions of Judge Hughes?

Senator RANDOLPH. No; except to commend the judge for his endorsement of the program which would give medical care to the aged through the social security system. That is fundamental.

Senator CASE. I am very happy indeed to see Judge Hughes here this morning. As he knows, it isn't necessary for him to encourage

the members of this particular panel to go for that social security thing. All of us have been for it and we believe in it. I want to commend the chairman of the subcommittee for the invitation to Judge Hughes and to Secretary Mitchell. I think it is absolutely right that we should get their views. And also on this equal basis, it is my understanding that Secretary Mitchell is planning to testify next Monday at the hearing which the subcommittee will hold in Trenton where the emphasis, I think, is to be, among other things, on Federal and State activities. Secretary Mitchell's testimony will be presented at that time.

Senator WILLIAMS. We have had two witnesses mention the fact that Mr. Sidney Willis, planning director of the city of Jersey City, is with us, and I think we now should hear from Mr. Willis and learn of the experience of one of our finest cities in housing for the elderly. Mr. Willis. Proceed in any way you choose, Mr. Willis.

**STATEMENT OF SIDNEY WILLIS, PLANNING DIRECTOR,
JERSEY CITY, N.J.**

Mr. WILLIS. Senator Williams, members of the special committee, ladies and gentlemen, I would like to make a very, very brief statement, to be followed up by a documented and substantiated statement which I will file with the staff, if I may.

Senator WILLIAMS. Very well.

Mr. WILLIS. I have recently been appointed by Mayor Thomas Gangemi as planning officer of Jersey City. Jersey City, as you may know, has recently undergone a complete revision of its form of government, replacing a commission form under which the city has been governed since 1913, with a mayor-council form.

One major reason that these citizens of Jersey City elected to revise their municipal government was a recognized need for a major effort toward community renewal. Mayor Gangemi in the few short months of his administration has adopted a program for community development including planning, housing, urban renewal, and economic development elements. He has named a development coordinator and an outstanding planning board and redevelopment agency. The city is girding itself now for a major renewal effort which will be carefully programed to balance our needs with our financial ability and our relocation ability through a community renewal program.

Accordingly, Jersey City has a vital interest in the work of your committee and views housing for this important segment of the population which is represented by elderly persons as a part of its much larger housing problem. It is within the context of this recognition that most of my comments are addressed.

Prior to my going with Jersey City I served with the division of State and regional planning as project director of the New Jersey regional urban renewal survey. Under the project we analyzed the nine-county area of northeastern New Jersey, including, of course, the cities of Jersey City, Newark, Paterson, and Elizabeth, and the entire suburban area that constitutes what we have defined as northeastern New Jersey.

Within that area there are 279 separate municipalities. There are some 80 municipalities taking advantage of the 701 program. There are 50 municipalities with housing programs of one form or another.

All of these agencies must of necessity in New Jersey proceed as separate individual entities, yet they are all working in the context of the forces of deterioration, and the forces of metropolitan growth, which affect northeastern New Jersey as a unit.

As I stated, I prefer to present detailed information on this study in written form to the committee rather than present it orally at this time.

There are four areas within which research was conducted which I believe is of interest to this committee. First, among the major findings is the concentration of the region's elderly persons within the core portion of the region. Our elderly families are predominantly located within the core, within the large urban centers, and in the older suburbs surrounding the core. More than 60 percent of all our elderly in the entire northeastern New Jersey area are within a concentrated part of north Jersey surrounding Newark and Jersey City.

One out of every five of our elderly families are within 22 municipalities surrounding Newark, including, of course, Jersey City and most of Hudson County. It is within this very area where we find the predominance of our deteriorated neighborhoods and housing areas. Seventy-five percent of all the deterioration in the entire nine-county area is concentrated within this small area.

It is obvious to us on this study, and I think it should be obvious to all who review these data, that the problem of the elderly is inextricably related to the whole problem of the deterioration of our metropolitan core. If we cannot solve the problems of renewing and rebuilding our core then we will leave most of our elderly families within an area of undesirable environment. This, I think, is the heart of the very matter of providing decent, safe, and adequate family environment for our elderly families. They do not—our data substantiates this statement—they do not wish to be transported to some suburban, green area, but they prefer to be within the metropolitan heart, within the area where they can get services, where they can get their kind of medical attention, where they can be accessible to their families spread throughout the region, and where they can enjoy the contact and the relationships of close human association. This can only be provided in our core areas.

Second, the demonstration project provides information on the special problems of the elderly and this information is being made available to all of our local renewal agencies, all of the planning boards, all of which are attempting to develop their local programs for the elderly.

I might just say briefly about this point that there is considerable variation among the families of the elderly. It is impossible to classify the elderly families as one piece of pie, if I may. There are elderly families which are in the low-income group. There are others who have some backing in terms of financial resources. Dealing with these has got to be done on an individual basis.

Third, and very significant, I believe, to the work of this committee is the problem of the displacement of elderly as well as other low and moderate income families caused by all public actions within the metropolitan area. We, of course, have programs for relocating our low and moderate income families in connection with urban renewal and public housing programs. And, in fact, the public housing pro-

gram in northeastern New Jersey is the only program which ultimately puts back more units than it takes out. We have tremendous displacement problems facing us within the next 10 years caused by the construction of Federal aid interstate highways, for one, and many other public programs. Our schools, our institutions, all need to be expanded. They need to have breathing space around them. And as we open up our core, as we rebuild our core, we are displacing families hard pressed to find adequate housing units elsewhere.

Fourth, the demonstration program dealt with the general problems of dealing with the housing needs of the elderly by the individual municipalities in the metropolitan area. As I said, each separate municipality deals with its own housing and its own elderly problem as an individual entity and yet the problem of the elderly in northeastern New Jersey, at least, can only be viewed as a larger problem affecting the entire area. There is no way now of organizing our separate agencies operating within the field of housing to view the entire overall problem of the elderly as they are being relocated and displaced and to develop some single approach to this problem. Each individual municipality must of necessity proceed along its own lines with its own problems and in New Jersey many of those problems are related to the problems of our poverty tax structure.

I would like to make three specific recommendations. Before I do so, however, there is one area of research which I think is of particular importance. In connection with our surveys we interviewed 700 families within the core of north Jersey and we were able to predict, given a minimal rehabilitation program, how many of these families would be affected to such a degree that they would be displaced. I am not suggesting that rehabilitation is not necessary, it absolutely is in terms of the large areas of deterioration that must be treated and that cannot be treated under the expensive programs of clearance and rebuilding. We have got to rehabilitate areas and we have got to conserve areas. But in our rehabilitation I am afraid that we are going to have to be as careful—if not more careful—of the problem of relocating persons displaced. The price of the rehabilitated unit goes up with the increase of value and the increased investment in the structure.

We found that more than two-thirds of the elderly persons located within the 700 units interviewed would be displaced with a minimal increase in housing cost caused by a rehabilitation program.

Senator CASE. Is that because there is such overcrowding in these facilities?

Mr. WILLIS. That is because many of the elderly families are located within units that are minimal to rehabilitation. That is, the slum areas obviously require clearance, but it is the middle kind of area, the area which needs to be improved and brought up to standard. In these areas some units need to be removed, but mostly what is needed is a new investment in the existing buildings. This new investment, because of the marginal operation of many households with elderly families, this new investment is enough to go over the line and the families cannot then afford to continue in that unit with its increased rental.

Senator CASE. Shouldn't the attack be made on the problem of making it possible for them to pay increased rental for the rehabilitated

housing rather than moving them out and moving somebody else in?

Mr. WILLIS. Absolutely, Senator. I believe that is true.

I would like now to make three specific recommendations. One, that the Congress indicate to the Housing and Home Finance Agency that Congress favors careful consideration of the problems of the elderly within the context of all planning and programing for housing and urban renewal done with Federal assistance under section 701 and section 103 of the Housing Act. And I believe in this instance that no legislation is required. It is merely a matter of placing emphasis where it is due within our local planning and our community renewal programing done at the municipal level.

Secondly, that Congress establish as a principle that all Federal programs in metropolitan areas deal with the problem of displaced persons under the same standard that Congress wisely required under the Housing Act. To avoid competitive relocation programs, provisions should be made that each municipality, or group of municipalities, establish permanent, local relocation administrative units to which payment would be made as part of the cost of Federal highways or any other Federal program affecting the metropolitan area. Incentives should be established for similar payments from State, county, and independent authorities based on the amount of the displacement resulting from their individual programs in each municipality. And I am afraid, too, gentlemen, that it is going to be necessary to consider the displacement problem in our larger municipalities, at least, as extending out into the areas surrounding the individual municipalities. That is, the core cities should be able to find adequate and suitable housing units outside of the core, if necessary, as long as the family affected finds that unit suitable and adequate for its needs.

Thirdly, the Congress should further enact incentive programs similar to the new open space provisions of the Housing Act for State participation in housing programs for the elderly and, in fact, in housing and urban renewal programs in general, especially, first, State financial participation in local and regional planning programs; secondly, State financial grants to municipalities for improved municipal programs; thirdly, State assistance in housing programs for the elderly; and, fourthly, moderate-income housing programs similar to the Mitchell-Lama Act in New York which would reduce interest rates and make it more feasible to build moderate-income housing units within the core of the metropolitan area suitable for elderly families. Thank you.

Senator WILLIAMS. A very helpful statement, Mr. Willis.

Senator Randolph, do you have questions of Mr. Willis?

Senator RANDOLPH. One question only. You speak of the deterioration within the heart of a city. You correctly indicate that when that deterioration with its impact becomes more serious that the impact is greater, of course, upon the older rather than the younger people who live within the area; is that correct?

Mr. WILLIS. That's true, sir.

Senator RANDOLPH. And in, let's say, Newark or in—

Mr. WILLIS. Jersey City.

Senator RANDOLPH. Jersey City, in your case. In these metropolitan areas, with the population curve mounting rapidly, the curve for the elderly mounts what, 10, 15 percent, more rapidly?

Mr. WILLIS. Our population curve in our metropolitan area—unfortunately, in New Jersey we are beginning to witness this—we are losing population within the metropolitan areas, and the population changes affecting the metropolitan areas are losses of the middle and upper income families, the younger families who abandon core areas. Consequently, our elderly families are being concentrated in the core, not so much because they are coming there but because they are being left behind there, sir.

Senator RANDOLPH. Thank you.

Senator CASE. No more questions, except if you have any good ideas on how to handle this matter of making it possible for people to stay in their own neighborhood, I would be very much interested.

Mr. WILLIS. I hope, sir, that we will develop an answer to that in Jersey City.

Senator WILLIAMS. Our next witness is Mr. Charles Marciante, secretary-treasurer of the New Jersey AFL-CIO. I believe that is the first time we have had a chance to say that—New Jersey AFL-CIO. We recently merged, Senator Randolph—and the last shall not be least. I think the last time Senator Case and I sat together as a committee of Congress in New Jersey we had the high honor of having the testimony of Louis Marciante. This was in Atlantic City and I believe at later hearings that you conducted, Senator Case. And this was the last of a lifetime of public service. We are honored to have the son of Louis Marciante with us this morning.

STATEMENT OF CHARLES MARCIANTE, SECRETARY-TREASURER, NEW JERSEY AFL-CIO

Mr. MARCIANTE. Senator Williams, Senator Randolph, Senator Case, and ladies and gentlemen, first, I want to express the appreciation of the AFL-CIO for the opportunity to appear before the committee today.

We all agree that proper housing is one of the biggest problems facing our senior citizens. Medical advances have increased longevity at least 20 percent since the turn of the century. Right now there are about 560,000 people in the State of New Jersey over age 65. This figure will increase, so will the need for adequate housing.

The State AFL-CIO is grateful that the Congress, through its recent amendments to the National Housing Act, has recognized this need and has given organized labor, among others, the necessary tools with which to move toward alleviating this problem.

The State AFL-CIO has recognized its responsibility to the community. We are anxious to do something about it. Through collective bargaining and legislative action we have fought for and have won pensions, medical insurance and other benefits which contribute to longer life. We are now faced with fulfilling the responsibility to protect the worker beyond the span of his employment years.

I have been authorized to state here today that the New Jersey State AFL-CIO is presently considering the construction of as many as four \$10 million housing projects, exclusively for the elderly. This will in some measure ease the need of housing for our senior citizens.

At this point our plans are being formulated. Our tentative plans call for the use of FHA-insured financing as provided in the National

Housing Act. As you gentlemen know, the act permits such non-profit groups as labor unions, religious, and fraternal organizations to qualify for 100 percent financing for elderly housing.

On Wednesday the State AFL-CIO executive board will consider these plans and take further action. No specific sites have been selected for the four projects although we feel that these units will be built in four different parts of the State.

Depending upon demand, multilevel and one-family homes will be constructed. As required under the law, the facilities will be designed specifically for the needs of older persons. Of course, the projects will be built either in or in close proximity to larger cities.

Elderly housing projects in this State are far oversubscribed, even to a point as high as three times their maximums. At this point in our investigation we see little likelihood of not being able to fill these projects.

The projects we propose will have elevators, intercommunication systems, clinics, theaters, recreational facilities, dining halls and chapel accommodations.

We know what we can do under the present housing law and we intend to do something. When the committee sits next week in Trenton we will have suggestions in other areas of the elderly problem which definitely need legislative improvements. However, we know that the \$40 million program we are considering will encounter numerous stumbling blocks. Our success in this undertaking will depend largely upon the cooperation of the FHA, other Government agencies, and of many Congressmen. In this we ask the full cooperation of everyone involved.

Once again I wish to thank the committee for the opportunity to state our hopes that the new Federal programs, such as housing for the elderly, will be introduced and improved upon by the Congress in the future.

Senator WILLIAMS. In your proposal for \$40 million worth of construction—four projects at \$10 million—how many family units are proposed?

Mr. MARCIANTE. They would be the multilevel and the separate housing units. As far as the number, the plan has not been determined yet on the exact number.

Senator WILLIAMS. Will we know more next Monday at our hearing in Trenton, when you again will be back, Mr. Marciante?

Mr. MARCIANTE. Yes, by Monday we should be able to submit a program for you.

Senator WILLIAMS. Well, I think your proposal got proper attention yesterday in the newspapers I read. It was one of the leading stories, indicating, I would judge, the great need as reflected in the amount of attention it got yesterday. Senator Randolph.

Senator RANDOLPH. Mr. Marciante, I am sure that the testimony during the hearing today will be important in many facets. However, as a member of this committee, I know of nothing more heartening, perhaps no words will be more significant than the ones you have stated in saying that the labor organization for which you speak is determined to do something affirmative in this necessary area. So I congratulate you, and those who work with you, and I commend the leadership of the AFL-CIO in New Jersey for moving forward.

Mr. MARCIANTE. Thank you.

Senator CASE. I want to add my voice to that of Senator Randolph and Senator Williams. I think that this is a most auspicious beginning for the new organization, and I hope that it will go well and that all the projects of the organization will turn out to be satisfactory and effective in the interests of the working people of the State and of all the people of the State.

Senator WILLIAMS. Thank you very much, Mr. Marciante.

Our next witness will be Mrs. Edith Higgins, who is representing SAGE, the Summit Association for Gerontological Endeavor. Mrs. Arthur D. Schwarz was scheduled. I gather you are representing the organization and appearing for Mrs. Schwarz.

Mrs. HIGGINS. Yes.

Senator WILLIAMS. Before you begin, Mrs. Higgins, I don't know whether it was made known to everybody, but this afternoon after we return from lunch there will be a general town meeting approach to problems of the elderly, when the floor will be open to everybody generally. So we do hope that this fine attendance this morning will be duplicated this afternoon.

STATEMENT OF MRS. EDITH HIGGINS, SUMMIT ASSOCIATION FOR GERONTOLOGICAL ENDEAVOR

Mrs. HIGGINS. I am representing Mrs. Carolyn Schwarz, who wrote this statement, and who is very sorry that she is not able to be here today.

Senator Williams, Senator Randolph, Senator Case, ladies and gentlemen, 5 years ago our organization was one of the many which participated in the hearings of the New Jersey Old-Age Study Commission. Within a short time after the completion of the hearings, Senate bill 153 was passed, signed by the Governor, and the Division of Aging of the State of New Jersey was created. This is just one convincing example of the efficacy of public hearings.

We therefore thank those responsible for arranging this hearing and hope that this statement will contribute to the attainment of the objectives.

Our organization is an incorporated, nonprofit association. It is called SAGE, the Summit Area Association for Gerontological Endeavor. It is concerned with the general welfare of older citizens and intelligent preparation for aging for all citizens. Our purpose is sixfold: (1) To survey facilities and resources in our area; (2) to disseminate information; (3) to determine unmet needs; (4) to establish priorities; (5) to cooperate with existing agencies and individuals to meet these needs; and (6) where necessary, initiate appropriate programs on our own. Because of the comprehensive nature of this purpose, it is necessary to think of specific projects as they relate to a master plan and long-range goals. SAGE is 7 years old as a corporation. Three years of study preceded the incorporation. For the past 5 years we have been a participating agency in two local united campaigns.

From study and limited experience we have developed some thoughts on housing for the aged which we hope will prove helpful in the planning and executing of constructive community programs.

A great deal has been written on this subject, and for the purpose

of emphasizing just one phase of it we have chosen a few excerpts from the literature, as follows:

From the policy statement on housing, White House Conference on Aging:

There is and will continue to be a need for an increase in all types of housing. The needs of the aging are equally special for both their housing and their total environment. Planning and developing facilities for the special needs of the aged, such as proper transportation, shopping, medical and health facilities, utilities, cultural outlets, churches, and congenial neighbors are integral parts of this problem.

From the staff report to the Subcommittee on Housing of the Committee on Housing of the Committee on Banking and Currency, U.S. Senate:

The desire of older American citizens for independence plus the scarcity and cost of institutional care of high standards are widely regarded as strong reasons for making every effort to help persons maintain their own households as long as possible. Suitable housing facilities may often need to be supplemented by various community services. Some of these are home-care services of hospitals, geriatric service, visiting nurse, visiting housekeeper, friendly visitor, recreation, and so forth.

Our organization has been particularly concerned with the supplemental services mentioned in these statements. We have placed a top priority in developing and stimulating a wide range of these services to help older citizens remain in their own homes as long as possible; to give them functions and duties that draw on their life experience and wisdom and put it to new uses; to provide opportunities for service, both voluntary and paid; to provide facilities for new social contacts as well as a place to pursue hobbies and learn new skills; and we try to keep them informed of the services and facilities available to them.

Here are just a few examples of how this is carried out:

(1) The advisory committee of our board of trustees includes representation from all agencies and professions who might have something to contribute to the careful consideration and execution of a comprehensive community program and to avoid duplication of effort. Our community has a fine visiting nurse association, a family service, both a YWCA and a YMCA, and an up-to-date public welfare department, health department, a general hospital and a mental hospital, a recreation department, and many other agencies, all of whom have representation on our board of advisers. We also have doctors, a lawyer, an accountant, and other key professions represented.

(2) We provide a guide for senior citizens which lists all the facilities and resources available in our area. This guide is kept up to date by constant revision and is distributed through the churches, service agencies, welcome wagon, et cetera, as well as being available at our office, which is located in the center of town. We have also prepared a guide to the nursing homes in the three counties in our part of the State. This is available free of charge, also.

(3) Our visiting homemaker service not only provides housekeeping aid but also gives employment to many older women. We received guidance and financial aid from the Division of Chronic Illness Control of the Department of Health of the State of New Jersey in the establishment of this unique service. Those wishing help to start a new service can get it from the newly formed New Jersey Association of Visiting Homemaker Services.

(4) We have worked with the public library in setting up a service of books to the homebound.

(5) We have worked with the recreation department to help set up a golden age club.

(6) We are cooperating with the local mental hospital, where a canteen is operated by older volunteers.

(7) We have cooperated with our college club to stimulate a local branch of the American Association of Retired Persons.

(8) The YMCA, the Union County Mental Health Association, and SAGE planned and supervised an educational program on "Preparation for the Later Years."

(9) We provide an information and referral service, a first point of contact for older citizens and families who are seeking help on matters of old age.

(10) We maintain a gerontological library for research and to keep us up to date on trends and new ideas related to all aspects of aging.

(11) We worked with a local nursing home on a program of recreation, occupational therapy, and nutrition.

(12) We provide a workshop for retired men and women.

(13) Our long-range plans call for research and development in housing, employment, more recreational and educational facilities, as well as more and better boarding homes, foster home care, friendly visiting, and other needs as they emerge.

Many other services such as meals on wheels, day centers, home-care programs, friendly telephoning, employment placement, as well as some mentioned above, are being provided in many communities.

In our particular area the need for extra services received a higher priority than the need for special housing, but special housing is on the agenda for research and development. As was said previously, "The needs of the aging are equally special for both their housing and their total environment." It remains for the community to evaluate its own needs and resources and plan accordingly. We believe that this can best be done through local community organization in the field of aging. The White House Conference on Aging recommends this also. In a policy statement presented by section 17 of the Conference the following is suggested:

The individual American lives in a local community. Many problems of the aged and aging, and many of the community conditions affected by, or affecting, the aging can only be resolved, therefore, at the local level.

Each person must take the responsibility of developing and using his own capacities for growth and service. In addition, a good community must build those resources which enable older people to remain independent as long as possible.

Although the needs of some of the aged are many, existing and potential resources are also many. These needs should be viewed within the context of the total society, and community planning for the aging must be related to, and compatible with, planning for other segments of the population.

To put total emphasis on care of the aged, as opposed to developing a community in which one can age with dignity and independence, would poorly serve the coming generations of Americans. We must not create the continual crises of "problems." A total program of local community awareness and individual responsibility can develop the great opportunity which we presently have in the lengthened lifespan of Americans.

The New Jersey Division on Aging has a consultant on community organization on its staff who is available to local communities for guidance.

Thank you again for giving us this opportunity to present this statement.

Senator CASE. Thank you very much, indeed.

Do you have any questions, Senator Randolph?

Senator RANDOLPH. Only, Senator Case, to compliment Mrs. Higgins for representing an organization which I believe is knowledgeable as to the problems yet has no desire to create problems which do not actually exist; isn't that correct?

Mrs. HIGGINS. This is quite true, Senator Randolph.

Senator RANDOLPH. Thank you.

Senator CASE. Thank you very much.

Senator WILLIAMS. The last witness we have on this list is Mr. James Compton. Mr. Compton is director the Pension, Health, and Welfare Department of the International Union of Electrical, Radio & Machine Workers, District 4, and chairman of the Essex County Committee on Aging.

STATEMENT OF JAMES COMPTON, DIRECTOR, PENSION, HEALTH, AND WELFARE DEPARTMENT, INTERNATIONAL UNION OF ELECTRICAL, RADIO, & MACHINE WORKERS

Mr. COMPTON. Senator Williams, Senator Case, Senator Randolph, ladies and gentlemen, I certainly appreciate the opportunity to have a chance to express my thoughts with regard to the problems of housing for the aged. I think that the housing problems of the aged are second only to the medical care problem, which I believe can only be handled through the social security system.

All of us, I am sure, subscribe to the principle that all aging people should have adequate housing in a suitable area of their choice with facilities and services at rents that they can afford, since the health and welfare of our senior citizens and hence the welfare and security of our Nation as a whole are vitally affected by the type of housing that these senior citizens are forced to live in.

I am going to direct most of my remarks to the problems that I found in the area of Essex County, serving as I did as the chairman of the Essex County Committee on the White House Conference of Aging, and with my own union having its principal office in this area, I am far more familiar with the area of Essex County and I intend to deal with that area.

If we in Essex County are to implement this principle it will be necessary that we devote our activity more in the area of planning and accomplishment. We have had enough talk about the problem.

The types of housing needed by the aged in Essex County are many and varied and I shall not attempt to deal with all of them in detail but will at least highlight what I feel are the most pressing problems.

Low cost public housing I believe represents an area of great need. Housing for the aged requires special attention to special features within the housing, such as special grab rails in the bathroom facilities, wide doors for wheelchairs, special low shelving in the kitchens, slipproof tile in the baths, oversize medicine cabinets, and many other items for safety and convenience within the housing unit itself. Outside of the specific unit itself many other special features are necessary in housing for the aged, such as convenience to public trans-

portation, shopping, entertainment, and the units themselves should not be segregated from the normal community life of the younger people and the middle aged people. Our older people don't want to live in segregated housing for the aged only. And I think another most important feature with respect to this is that included within the housing units there must be a planned social activity arrangement because boredom becomes one of the biggest problems of our aged people and if they have a planned activity they will join it with enthusiasm.

I suggest that the public housing authorities and other voluntary nonprofit organizations must get more active in this field at once. The problem is great, the need is urgent and work must be done. We don't need further surveys and conferences to determine this. I believe that the amount of low-cost public housing for the aged in Essex County should at least be doubled.

The unattached senior citizens who cannot afford an apartment or by choice to do desire one find that suitable living arrangements, including food, et cetera, are extremely hard to find in boarding homes, hotels, at a price they can afford to pay. We find that incomes of over 75 percent of our aged forces them into such accommodations as rundown old homes in rundown neighborhoods and old outmoded hotels in undesirable neighborhoods and this is a shocking place for our people to have to spend their declining years.

It is suggested that we examine the possibility in this area of building hotels for the aged especially adapted to their needs. We might also examine the fact that here in Newark there are 16 older hotels. I suggest that some of these in some of the better downtown neighborhoods might be examined as possibilities for remodeling for this type of housing facilities. However, we must keep in mind that some of these hotels will not be adaptable since the room size did not originally have in mind what we are now discussing. I want to emphasize that I think that the answer is the building of special hotels, new hotels, for the aged.

In other areas of the county it was found that local codes and ordinances were too restrictive or were prohibitive regarding boarding homes. I recommend that these codes and ordinances be relaxed and that the voluntary nonprofit organizations enlarge their efforts in this field and that slum clearance land be made available in areas near the center of cities and near hospital and medical facilities for the construction of these types of housing. The present proprietary boarding home operators should be encouraged to expand their facilities or modernize them by making available low interest loans and through revised codes and ordinances which at present stifle their efforts.

However, the most pitiful and shocking conditions, I believe, are those living arrangements of that group of our aged who are senile or who are physically incapacitated and require full-time nursing care, the kind of care that can only be properly provided outside of the home in most cases. Any of you who have had any opportunity to visit the nursing homes and to visit the mental institutions in this State will know about which I am talking. Really decent nursing home care providing private rooms in clean, modern facilities with some program of rehabilitation and entertainment

and social activity is positively out of reach of 90 percent of the aged in this category, even with assistance from their family. The cost of this type of care ranges from \$500 monthly up. Minimum nursing home care rates begin at approximately \$300 monthly and these facilities are usually undesirable or inadequate. I don't intend to infer that proprietary nursing homes are to be condemned for the charges that they place on their facilities. I think they are doing the best they can under the circumstances. However, since most of our aged and their families cannot afford to pay even the minimum rates in nursing homes, we find sons and daughters trying to care for a mother or a father in their home where facilities are sometimes inferior to the minimum rate nursing-home care and where the family ties are strained to the breaking point under these living arrangements.

The last resort for those aged, without family or sufficient income, is public assistance which provides for them in the minimum standard nursing home. For those without sufficient income who have a responsible family little better fate is in store for them. Either they are cared for in the home under conditions which I previously described or in minimum facility nursing homes, or, as in a great many cases, where senility exists, in the mental institutions of the county or State where the cost of care, where responsible family exists, is slightly less than nursing home rates.

I am sure some of you may have noted the article in the Newark Evening News within the last couple of issues where the Overbrook Hospital came to the conclusion that it was caring for far too many senile patients, there was nothing else wrong with them and their facilities were overtaxed, and they properly took the position that other facilities should be afforded for this type of patient. I strongly recommend that something be done to alleviate this problem. We must build special nursing homes for the aged at a price they and their families can afford.

Many of our senior citizens are living in the same family home in which they raised their family. These old homes, while having a nostalgic value to their occupants, have now become white elephants to the retired family whose children have all married and left home. The older the home gets the more repairs are necessary. This comes at a time when the occupant is less physically able to perform the repairs and at a time when there is less money available to make the repairs. As a result, most of these homes are rapidly deteriorating. In addition, the home is now too large for a family of two persons. Many of our senior citizens at this stage of life are unwilling to change to apartment living. However, they have little other choice since building restrictions in most communities are such that very few, if any, one-bedroom small homes with special features necessary to the aged are being built. While the present number of aged whose income is sufficient to purchase new homes is small, the problem of those able to afford a new home of this type suitable to their needs is acute and will continue to grow as improvements are made in private pensions and social security and the incomes of our retired citizens become more adequate. I suggest that communities be encouraged to revise their building codes to permit the construction of homes for the aged, that homebuilders be encouraged to build homes

of this type, and that the State and Federal agencies help and encourage the "trade in" concept of home purchase, whereby the older citizen can trade in his old home on the purchase of a new one.

The housing needs of the middle or the upper income group of our aged citizens strangely enough are not being met, even though in most cases there are sufficient funds to afford the facilities. There is a need for cooperative apartments, incorporating the special features that I mentioned previously. I would suggest that builders be encouraged to construct a certain percentage of the units of a cooperative project with this group of the aged in mind. I would recommend that voluntary nonprofit organizations be encouraged to take advantage of the Federal laws providing funds for the construction of cooperative housing by building more cooperative housing units for the aged in areas close to the center of cities in Essex County that are involved in slum clearance programs.

Senator RANDOLPH. Mr. Chairman, may I interrupt the testimony at this point?

Mr. Compton, to what extent would you say it is feasible for unions, like your own, and industry to invest welfare and pension funds in housing and nursing homes for senior citizens?

Mr. COMPTON. Well, it is possible more so in the area of welfare funds than it is in pension funds. Pension funds are more restricted to the area of mortgage money that would be available in any event through banks. In other words, the prudent investment feature becomes involved in the pension fund. Welfare funds are not so hampered and could better do the job. However, both items can contribute to this thing and we are doing something about it.

While there are many other problems in the field of housing for our aged that deserve attention, I believe I have commented on the most acute. I call upon our Federal and State Governments to work together with private organizations, labor, communities, religious organizations, business, and all other groups who can and will assist to alleviate the housing problems of our aged citizens. Where private profit-making groups can do the job, they should be encouraged to do so. However, time has proved that they can only solve a small portion of the problem. Therefore, it is necessary that local, State, and Federal Governments must actively legislate into being agencies that can and will do the job.

Thank you.

Senator WILLIAMS. Thank you very much, Mr. Compton. It is a very helpful statement.

Mr. David Schaeffer of the New Jersey Division on Aging. Mrs. Eone Harger is the director. Mr. Schaeffer, you are representing the division here this morning and we are very glad to have this most important division of our State government represented.

Mr. SCHAEFFER. Thank you, Senator Williams, Senator Case, Senator Randolph.

I am here representing Mrs. Eone Harger, director of the New Jersey Division on Aging. My remarks here will be a report of a conference on housing that was sponsored by the division on aging on October 10 in New Brunswick.

Senator WILLIAMS. We are going to have more from the division at our next hearing on the 23d.

STATEMENT OF DAVID SCHAEFFER, NEW JERSEY DIVISION ON AGING

Mr. SCHAEFFER. I believe so, Senator.

The New Jersey Division on Aging called for a conference on housing for an aging population to bring together specialists in all phases of housing for a mutual sharing of their experiences specifically relating to housing for the elderly.

The conference was needed to unite all avenues of research so we could learn of problems met and plans for the future.

Cosponsors included associations of architects, bankers, builders, realtors, mortgage bankers, the departments of health, labor and industry, conservation and economic development, the Federal Housing Administration, and associations of institutions and public housing.

We convened October 10 in New Brunswick, N.J. The daylong program covered the gamut of housing: where it should be located, who should build it, what types of housing should be offered, and how it can be financed.

We heard about recreation and social activities and the responsibility of the community toward its senior citizens. Through it all we saw woven in housing the human element—clearly defined, understandable, and so necessary if we are to succeed in our efforts. We long ago learned that housing alone does not solve social problems, and the point was made again that housing for the aging must provide the opportunity for community life.

While we heard from the professionals on the 10th, we have heard from the people we are planning for. We know from the correspondence that comes in to our office and to the many offices of State government from the aged, what they want, what they need, and what they expect. But we must remember not to promise too much. Generally throughout the country citizens are disappointed in housing and urban renewal because we promise too much.

As we go about our tasks we must remember to have a constant awareness that aging is an individual matter and we should avoid rigidity and dogmatism. We should remember that our older citizens do not ask for charity but for the opportunity to spend their declining years in dignity. We cannot solve all the human problems, but we did learn that through cooperative efforts we can provide decent, sound, safe housing for people with reduced income in their advanced years.

Once again we heard the claim that the city or urban center is the best place to locate housing for the elderly. The country home, usually operated by a church group or private nonprofit organization, has proved to be in direct violation of our modern concepts of living. This is segregated housing which removes the senior citizen from the mainstream of life. Further, the rural residence idea robs the young people of our society who live in the city of the experience they need for their own later life—that of knowing the problems of growing old.

Suburban areas designed around the automobile and built for the young growing family offer no solution.

The city, or hub of an urban area, remains the ideal place for housing for the elderly because they have at their disposal, within walking distance, shops, churches, clinics, culture centers, recreation, and transportation. In most cases the elderly have neighborhood ties.

However, the cities have problems we must face, also. We cannot walk into a city and build housing for the elderly. There are problems of land acquisition, high cost of desirable lots, outmoded building codes, changing neighborhoods, and most of all the lethargic attitude of the community to act in this field.

When Gov. Robert B. Meyner spoke to the conference he cited the 1959 census figures which show that almost 35 percent of families in the United States headed by a person 65 or older had incomes of less than \$2,000 and 53 percent of such families had incomes of less than \$3,000. For those over 65 who were not connected to a family group about 90 percent had incomes below the \$3,000 mark. The Governor reported that in 1960 New Jersey had more than half a million residents aged 65 and over, which represents 9 percent of the total population. Projected to 1970, the elderly population in New Jersey becomes 700,000, with most of them living in urban areas.

To help some of these people New Jersey passed legislation permitting an \$800 tax exemption for certain homeowners over 65 with incomes less than \$5,000. To date exemptions have been granted to 103,269 homeowners.

Many elderly persons were not affected by this legislation because they are too poor to take advantage of it. Still another group has valuable assets and good income but they, too, are unable to find housing suited to their needs.

For this group the Governor spoke on legislation he has recommended to eliminate some of these problems through his five-point housing program. They include a \$25 million bond issue to provide funds for long-term low-interest loans for private construction of middle income housing and the amendment of local housing laws so that local housing authorities could enter the middle income housing field. Both of these have passed the assembly and are awaiting senate action.

The third recommendation was to give municipalities power of eminent domain to acquire land necessary for housing under the limited dividend law. Still pending in committee is a recommendation now incorporated in the elderly persons housing law which would permit establishment of nonprofit corporations to develop moderate rental housing and would authorize State and municipal cooperation and financial assistance pursuant to title II of the 1959 Housing Act.

The Governor reported that only 34 municipalities have built housing for the elderly using Federal funds and declared this is not enough, which leads us to restate that one of the biggest problems in municipalities is lack of knowledge about building programs and the lethargic attitude of the local community toward improving the housing situation.

At the conference we heard from experts on the type of housing needed, be it subsidized, cooperative, private, or individually owned. We were warned to keep separate the notions of segregation and isolation. The senior citizen still has the need for social contact and to be part of the community.

A representative of the building industry said there has not been enough private construction for the elderly because of changing demands in types of homes. In other words, housing for the elderly has been a "bypassed market."

The building industry now recognizes the need and predicts that 15 percent of all housing construction in the next decade will be for the retired, and that it will take all kinds of housing to fill the need—single units, small clusters, garden courts, low- and high-rise complexes.

It was agreed that there is a great need for new housing under public, private, and nonprofit organization sponsorship, with the greater percentage being public housing because the elderly citizen's income is so limited. It was stated that nonprofit sponsorship, such as religious denominations and fraternal groups, can offer a middle way between heavy subsidizing and private housing.

I think an additional word on nonprofit housing is necessary here because of the old concept of rural homes for the aged. This idea, we learned at our conference, has passed. The new theory is clusters of homes in the mainstream of life, to emphasize congregate yet independent living, ruling out the life tenancy payment idea which embraced the thought of terminal residence. The new concept would be quite acceptable to the elderly who can tend to their own needs and do not need the too narrow view of last-stop living.

Another thought on housing for the elderly was injected by Governor Meyner when he observed that if we can build a complicated instrument such as a television set to sell for under a hundred dollars, and an automobile to sell for under \$2,000, we should be able to build adequate housing within the financial means of older people.

Often we find that programs such as this one for housing for elderly citizens don't move as fast as we would like—as fast as is desperately needed, in fact—because of that old bugaboo, financing. Officials tend to set up a housing committee, or an older citizens advisory panel, and let it go at that because there is no money available. This is bad—mainly because it is not true. There is money available for this great housing program, money at the State level, money at the Federal level, and private money, also.

The Federal housing authority and the public housing authority provide the tools. There is financing available for very low, low, and middle income groups, for rehabilitating homes, establishing new and expanding existing nursing homes, money for long-term mortgages for those who wish to purchase, as well as funds to assist in financing health and social services.

One important point in housing for the elderly goes back to the human element I spoke about earlier. Housing for the elderly does not mean cute little apartments or homes with low sills for those in wheel chairs or on crutches. Housing for the elderly does not mean placing electric outlets and shelves where stooping and stretching is eliminated. It does not mean installing safety bars in bathrooms. These things, yes, but not these things alone.

What transforms good housing into housing for the elderly is the senior center, and this does not mean simply a room for recreation. A senior center should be so alive with activity on all levels that it becomes the thoroughfare from the housing complex to the community and back from the community to the individual residents. It would foster the creative use of the retirement years to make life meaningful.

We are not ruling out recreation—far from it. But here again we must find out what the elderly citizen means by recreation. We must

find out not only from the experts what the aged need, but from the older person what he wants.

The senior center should include all day, every day facilities for communication. This means public transportation nearby, banking and post office service, food service, grocery and drugstores, beauty salons and barber shops. But most important of all the senior center should include an office on the social service level, to act as a clearing-house—a point of reference—for the elderly residents, directing them to the proper community services they need.

By the close of our conference it was made apparent that there is a need for continual housing emphasis and it was encouraging to learn that there will be regional versions of the Housing for the Elderly Office of Mr. Sidney Spector set up to keep the program moving in the right direction at a faster pace.

Senator WILLIAMS. Thank you very much, Mr. Schaeffer. Senator Randolph has a question.

Mr. SCHAEFFER. Yes, Senator.

Senator RANDOLPH. Mr. Schaeffer, am I correct in saying that in essence you are stating that you believe the senior citizens should be kept in the stream of life rather than being shunted aside from it?

Mr. SCHAEFFER. That was the sentiment expressed at the conference and it is also my sentiment, Senator.

Senator RANDOLPH. We must think in terms of persons who are elderly doing the same tasks, enjoying the same pleasures, participating in the same privileges as those who are younger. They will be doing it in degree, as it were, a little less vigorously, a little less actively, but nevertheless daily, is that correct?

Mr. SCHAEFFER. That's correct. I would like to comment on that further, Senator. Today at 65 a person is no longer what we thought of as old. We like to divide the ages into a finer breakdown now. You see, years ago a person at 65 was perhaps the old, decrepit person ready for the home. Today the homes, that is, the charitable homes for the aged, find that they are not getting people at 65, they are getting people in their 80's and 90's, because people at 65 still have 10 or 15 vigorous years ahead of them, and it would be unfair to think of shunting them out of the mainstream of life.

Senator RANDOLPH. Mr. Schaeffer, the best proof is the people who are here today.

Mr. SCHAEFFER. Right.

Senator RANDOLPH. As we look at them, they are alert, and they are active, and yet perhaps 60, 70 percent of this audience is 65 or older.

Just this one pointed question. You say there is a lethargy, and that's in New Jersey you are speaking of, and in certain municipalities, is that correct?

Mr. SCHAEFFER. That is what was stated at the conference, yes.

Senator RANDOLPH. Yes. Do you agree with that estimate as an individual?

Mr. SCHAEFFER. As an individual I must say that perhaps there is a lethargy, perhaps more could be done. After all, we have some 557 municipalities in New Jersey and we only have about 34 taking advantage of the program. At the same time, we are very proud of New Jersey in that it is way ahead of many of the other States in what we are doing. I want to qualify that statement.

Senator RANDOLPH. Surely. I am certain the commendation is deserved. Now, this one final question. Does the lethargy stem from the elected officials of the municipalities themselves or are they, the elected officials, not sufficiently impressed by those who actually vote them into office?

Mr. SCHAEFFER. I believe that there is a two-way proposition here. I think in some instances our public officials are very aware of what is available, of the State and Federal programs. However, in other areas they might not know what the programs are and what is available. And that is one of the purposes of our conference, so that we could bring together more people who are in this field for a better understanding of what can be done. I don't know whether that answers your question or not.

Senator RANDOLPH. Yes, it does.

Senator WILLIAMS. We are very grateful and we will be looking forward to further statements from the division on aging when we gather again next Monday in Trenton.

Mr. SCHAEFFER. Thank you very much.

Senator WILLIAMS. We wanted to wind up this morning with sort of a round-up from the new director of the housing for the elderly program. Have you been warned that you are going to be our wrap-up witness this morning or does this come as a surprise?

Mr. SPECTOR. I thought I was to comment this afternoon.

Senator WILLIAMS. Well, either way.

Mr. SPECTOR. Whichever you prefer, Senator.

Senator WILLIAMS. Well, you are always prepared. We have never seen you when you weren't. What is your exact title?

Mr. SPECTOR. Senator, I am the Assistant Administrator of the Housing and Home Finance Agency, Office of Housing for the Elderly.

Senator WILLIAMS. I have already indicated that until you took that new responsibility you were staff director of the Subcommittee on Aging, which is part of Labor and Public Welfare.

Mr. SPECTOR. Yes.

Senator WILLIAMS. We miss you but you have gone on to bigger responsibility.

**STATEMENT OF SIDNEY SPECTOR, ASSISTANT ADMINISTRATOR OF
THE HOUSING AND HOME FINANCE AGENCY, OFFICE OF HOUSING
FOR THE ELDERLY**

Mr. SPECTOR. Well, I think there is an opportunity here to make a real contribution to what I regard as perhaps the most momentous revolution, in terms of social change, of our time and that is this revolution in the age structure at the far end of the life cycle.

The testimony of the city officials and the voluntary groups this morning I thought was as impressive a set of testimony as I have heard anywhere with respect to what is going on now and what the prospects are for housing for senior citizens in New Jersey.

Senator WILLIAMS. Let me ask you, you did travel with the subcommittee all across the country, with Senator McNamara as chairman, and did do field work in many States, am I right?

Mr. SPECTOR. Yes. This was a subcommittee of the Committee on Labor and Public Welfare of the Senate. I was its staff director, and I did go with the subcommittee across the entire country from Boston to San Francisco, from Miami to Detroit, and held hearings in all of those cities. And, as I say, this morning revealed as impressive and as promising a set of programs in housing for senior citizens as we heard anywhere. And I believe Senator Randolph—you were at practically every one of those hearings—probably will agree with me in that regard.

Senator RANDOLPH. Wholeheartedly.

Mr. SPECTOR. I just wanted to comment, Senator, that within the Housing and Home Finance Agency we do have a whole series of programs now available to communities, to nonprofit groups, to profitmaking groups, to construct housing for senior citizens. It is a comprehensive program and it is a balanced program. There is available an expansion in public housing opportunities to local housing authorities, with added Federal contributions as a result of the Housing Act of 1961, for the millions of elderly who are in the low-income groups. And for millions, literally millions of senior citizens, public housing is the only solution for dignified, self-respecting housing.

For groups just above public housing, that is, whose income would be such that they would not be eligible to come into a public housing unit and yet cannot afford to pay the rentals of the private housing market, there is the Federal program of direct loans to nonprofit groups, to consumer cooperatives, and to public agencies in which the Federal Government will lend directly to these groups an amount equal to 100 percent of the development cost of the project. These loans are at a low rate of interest, $3\frac{3}{8}$ percent currently, and extend over a period of 50 years and as a result can get rentals down.

Senator WILLIAMS. I just want to say that we are very grateful to Senator Randolph for his magnificent contribution to our hearing this morning. We are about to adjourn and—

Senator RANDOLPH. Thanks, my colleague. I do want the record to show that we are fortunate in our housing program at the national level to have a man as understanding of the need and as definitely dedicated to doing a good job as is Mr. Spector.

Mr. SPECTOR. Thank you.

Senator WILLIAMS. And I think the record should reflect that Senator Randolph was greeted with warm applause on many occasions during this hearing this morning.

Mr. SPECTOR. Senator, beyond the direct lending program there is available programs of mortgage insurance through the FHA. Under what is known as section 231 the Congress has provided that profitmaking groups can secure loans for housing for senior citizens and receive mortgage insurance up to 90 percent of replacement cost through the FHA. Nonprofit groups can receive mortgage insurance up to 100 percent. These are at a rate of interest of $5\frac{1}{4}$ percent plus a half percent mortgage insurance premium. And these are available for all kinds of older persons, those desiring either a more luxurious type of housing or more economical.

Then in addition to that—and I was very much interested this morning, Senator, to see the advantage that groups in the State of

New Jersey are taking of combining the limited dividend, limited profit program in this State with the new legislation passed in 1961 under what is known as section 221(d)3 for low rental, moderate income housing at a below market rate of interest. As you know, Senator, under this act groups such as consumer cooperatives and public agencies can borrow funds and be eligible for 100 percent mortgage insurance for low rental housing for low moderate income groups. Limited dividend corporations are eligible for insurance up to 90 percent. And, of course, most of the aged fall within this moderate income category. Thus it does provide an additional instrument for financing or liberalizing the financing of housing for older persons since the rate of interest under it is only $3\frac{1}{8}$ percent.

We have this whole series of programs and as a result Dr. Weaver, as head of the Housing and Home Finance Agency, decided to establish a special office which would be concerned with coordinating all of these various programs, developing some policies which were common to them, and concerned not only with accelerating the program—and to that we are committed—but also to provide the kind of counseling and information which church groups, and other nonprofit and civic groups might need in getting these important programs going. They may want to make a contribution but perhaps do not have the experience needed to know what types of financing to use.

Senator WILLIAMS. May I ask, how much money is available to you under the direct loan program?

Mr. SPECTOR. Under the direct loan program the Congress has appropriated \$80 million. The total authorization is \$125 million but as of now \$80 million have been appropriated.

Senator WILLIAMS. Is that some backlog from last year plus the appropriation of this year?

Mr. SPECTOR. Yes. In 1960 the Congress appropriated \$20 million and this year it appropriated an additional \$60 million.

Senator WILLIAMS. You will recall it was last year that there was a \$5 million appropriation in the bill and I offered an amendment to make it \$50 million and we secured the full \$50 million in the Senate.

Mr. SPECTOR. Yes.

Senator WILLIAMS. In the conference it went down to \$20 million.

Mr. SPECTOR. That's correct.

Senator WILLIAMS. And this year we added—

Mr. SPECTOR. Sixty million.

Senator WILLIAMS. How are the applications coming in under the direct loan program?

Mr. SPECTOR. Under the direct loan program we have now committed approximately \$23 million, so that we used up rather quickly during this administration the original \$20 million that had been made available. We now have approximately a hundred to \$119 million in backlog of full applications which we will have to consider just as quickly as possible in relation to the appropriated funds that are presently available.

Senator WILLIAMS. A figure was given here that New Jersey has under construction or completed 20 percent of one of the national programs. Which program is that?

Mr. SPECTOR. That's public housing. New Jersey leads the field in public housing, public housing for the elderly, either exclusively for the elderly—that is, in projects exclusively for the elderly or units designed for the elderly within larger public housing developments.

Senator CASE. May I ask a question there?

Mr. SPECTOR. Yes, sir.

Senator CASE. When you speak about units designed for the elderly, having in mind the list of particular things that were necessary especially for the elderly that Lou Danzig gave us—

Mr. SPECTOR. Yes.

Senator CASE. Why wouldn't it be a good idea to have most of these things, if not all, in all public housing or in every housing facility? If that were done, wouldn't it reduce the cost for, for instance, the lower bathtubs, the fixtures, the handles, and the grips, and the floors that don't skid, and the absence of sills, and almost all the rest of these things?

Mr. SPECTOR. Senator Case, your comment is absolutely pertinent and correct. I think we have come to the stage now where practically every item that we think useful and necessary to make housing efficient for older persons is suitable for younger age groups. Now, it isn't necessary in exactly the same degree. Younger persons can, of course, bend and use some of the facilities a little more easily. But architects and others who are designing are generally agreed that we might just as well incorporate these ideas for all housing. As a matter of fact, what we find is that those social and psychological components which we think are necessary for the elderly, such as health facilities, recreation facilities, churches, and so on, in many ways have become leading ideas for housing for all age groups. And what we find is that in regular apartment housing they are building in recreational facilities and in the future they will be including health facilities very likely as part of it.

Senator CASE. I am very glad to have you say that. Thank you.

Senator WILLIAMS. I interrupted you, Mr. Spector.

Mr. SPECTOR. I might make one last comment, Senator, and that is what I regard as the most important aspect of housing for older persons. First of all, as to this matter of segregated versus integrated housing. To begin with, it is my aim to abolish the concept or the idea of using the terms "segregated," "integrated," or "isolated housing." What is most important with regard to housing for older persons is that older persons do need one another. They need one another psychologically; they need one another emotionally; they need one another in terms of the help that they can give one another. So we think that a good concept with regard to housing older persons is the development of clusters, that is, of groups of older persons living together either in a single unit or in a group of contiguous units, not, however, isolated out in the rural areas but integrated into the community.

First of all, older people do have to be with one another. And only when they are with one another and have the support of one another can they be integrated into the community itself. So the idea of building small units within established communities is a very good one.

Senator WILLIAMS. When you say small units, what size are you describing?

Mr. SPECTOR. I think size is an item that no one can be arbitrary about. Many older persons want to live in a downtown area or near the downtown areas of cities. If they do, then size here probably means a high rise building with many stories and probably more than a hundred units. If we think in terms of areas farther out, in regular neighborhoods, I can see 15 to 30 units as being a very good solution.

Senator CASE. May I just interrupt you there, because I think we all have accepted the idea that they had to be high rise in the city, but why? Why can you not have them that way? It may cost a little more, but this is the Federal contribution.

Mr. SPECTOR. Currently, Senator, land is so scarce that to make it feasible for use for this purpose you do have to have a sizable number of units in the denser areas of the city. As you get farther out and land is more available and of a lower cost, then I would say smaller numbers of units in garden-type apartments or motel-type courts is probably a more feasible solution.

And the last point is that housing alone may not be the major answer. I think the most important element in the whole problem of aging is the fact that 85 percent of the people who are over 65 are totally unemployed, they are completely out of the labor force, and at age 65 they have approximately 15 years in which to live usefully. The problem of what to do productively for 15 years in retirement is not only a question of social services but it is something that housing has to contribute to, because when you are fully retired, when you have some disability, then where you live becomes your whole world. And what we need in combination with housing is a senior center, a multipurpose senior center in which individuals can find important things to do under inspired professional leadership and not just card playing or shuffleboard but real contributions to the community—civic activities, voluntary activities.

Senator WILLIAMS. Political activity.

Mr. SPECTOR. Yes, sir; even in political activity. There probably is nothing more important, thinking of politics not only in its partisan sense but in terms of the formation of American public policy through the party system.

This is what I think of then as the most important element of housing for older persons; namely, to make a contribution to the productive use of time in retirement so that parasitism is not the fate of our retired citizens.

Senator WILLIAMS. It is easy to see why we consider you as one of our great national assets as Dr. Weaver's administrator of the various housing programs for older people. Thank you very much.

Mr. SPECTOR. Senator, it is a pleasure to be here.

Senator WILLIAMS. Will you be with us this afternoon?

Mr. SPECTOR. Yes, sir.

Senator WILLIAMS. Fine. We do hope as many of you as can will gather with us at 2 when we will have an old-fashioned town meeting where we will hear from you and learn from you first hand what we can do about housing and other aspects of better lives for senior citizens—2 o'clock. And I gather all luncheon plans are made by most people. Have a nice luncheon.

AFTERNOON SESSION

Senator CASE. The hearing will come to order. Senator Williams is unavoidably delayed for a few minutes and he asked that I go ahead with the hearing. And in order to permit the conduct of business in Newark and in East Orange I would suggest, if it is agreeable to the mayors, that we might hear them now. Mayor Carlin, we are very happy to have you, and I know Senator Williams and I were both unhappy that we adjourned before you were able to testify.

STATEMENT OF LEO P. CARLIN, MAYOR, NEWARK, N.J.

Mayor CARLIN. Senator Case, first I would like to apologize for the mixup this morning, and I can assure you it was no fault of mine. As mayor of the city of Newark, I would like to extend to you, and Senator Williams and Senator Randolph and members of your staff, a warm word of welcome.

Senator CASE. Speaking for all of us, I appreciate that very much.

Mayor CARLIN. As you know, Lou Danzig, our director of housing and redevelopment, made a statement on this subject this morning and pointed out the basic needs of the elderly and, of course, not only this segment of our population but the need for some honest to goodness middle income housing.

It is my opinion that housing in the city of Newark and in the other older and larger cities in this country is becoming the same as medical care. It seems to me only the rich and the poor can really afford it. This statement has been made by me and others many times, but for the record I would like to make it very clear that it has been my position that Government should not get into any area of building construction or industry that private capital and industry is willing and able to provide. It is my considered opinion that private industry has not been able, or has been unwilling, to provide housing for the aged and middle income group.

And I would like to say for the record that I agree with Mr. Danzig that our older citizens do not want to live in institutions. It is my opinion that whatever housing program is provided or worked out that it be flexible enough so that our older citizens shall have the option of living with people in their own age bracket or, if they so desire, to live with people, of course, that might be a few years younger than themselves.

As you know, I was a member of the advisory committee to Commissioner Mason representing the U.S. Conference of Mayors and while a lot of progress has been made in cutting redtape on the national level in getting some of these programs underway, it is my opinion that from the time we have a proposal or a plan to go into redevelopment projects or an urban renewal project that from the time the proposal is made until the date of execution is just, in my opinion, too long. We have had many requests and meetings with labor organizations and other civic groups and they have always stopped at a certain point when they found out it would take anywhere from 2 to 4 years before we could execute the application, have it cleared, and then, of course, make plans available for housing.

And I also said in Washington last year that I think the administrative branch of the Government should wear rose colored glasses

when they are considering applications from the older and larger cities because, after all, we are making an effort to remake the city, or rebuild the city, we have to clear slum areas. And then, of course, it is rather difficult at times to get private capital to come in and put money in unless they get encouragement on the Federal level. In my opinion, they have not been receiving that encouragement.

So again I am very happy to be here. I commend your committee for your interest in this most important field. And I do hope that out of these hearings we can step up progress for the program of providing housing for the aged and our middle income citizens.

Senator CASE. Thank you very much. Mayor Kelly of East Orange.

STATEMENT OF MAYOR JAMES KELLY, EAST ORANGE, N.J.

Mayor KELLY. Senator Case, thank you very much for this opportunity to appear before your committee, even though you are right now the sole member present, to express to you some of our thoughts from the city of East Orange.

As mayor of the city of East Orange it is a pleasure for me to tell you that we in East Orange believe in our senior citizens. The people of our city are convinced that full life does not end at the age of 65, or 70, or 75. We know that our older residents want to be part of the main stream of life, not just left to sit on the benches.

These convictions are more than platitudes. They have stimulated us in day-to-day action in the fields of housing, education, recreation, and welfare. I am proud of the quiet but effective work of our mayor's senior citizen council in East Orange. Under the very able leadership of Mrs. Ruth E. Ollendorf and her very capable members this council has brought to our community—and brought our community, also, to the forefront in making daily living more meaningful and more rewarding to scores of our senior citizens.

According to the 1960 census the population of the city of East Orange was 77,259. However, we believe that this figure should be closer to 90,000. As of July 1, 1960, which was the last record supplied by the Social Security Administration, the number of East Orange residents over 62 years of age on social security totaled 8,628 persons. It is estimated that as of this date the number is close to 9,000. We estimate that the national average of persons over 65 years in the country is about 9.2 percent.

In East Orange according to the 1960 census 15 percent of our population is over 65 years of age and more than 20 percent of our population is over 60 years of age. State officials have told me that East Orange probably has more senior citizens than any community in the State of New Jersey, with the possible exceptions of Ocean Grove and Atlantic City. Small wonder then that we are senior citizen conscious.

In recent years our mayor's senior citizen council has transformed lofty sentiments into concrete actions. For example, our meals on wheels program, which has already received national recognition, delivered nutritious, hot meals and cold snacks 5 days weekly to elderly shut-ins on fixed incomes. This program is completely manned by volunteers, including high school students who deliver

the meals. Our only paid help are a cook and a part-time coordinator. To many of these folks receiving the meals a daily visit of the volunteers is their main contact with the outside world.

Believing that the human mind craves knowledge without regard to age, a stimulating educational program of interest to senior citizens has been sponsored by our council in cooperation with Upsala College.

Last year our city passed a housing code with provisions especially designed to protect those of our older citizens who live in boarding-houses and lodginghouses against fire and health hazards.

We are presently engaged in an activity directly related to the purpose of this hearing, that is, housing for elderly persons. I am proud to announce, Senator Case, today that the formal incorporation of the Mayor's Senior Citizens Housing Association, a nonprofit corporation, has just been organized under the laws of the State of New Jersey. Our certificate of incorporation was filed this morning in the office of the Essex County Clerk. The purpose of this organization is to sponsor genuine private middle income housing for senior citizens in East Orange. We hope and expect to apply for a direct loan under section 202 of the Housing Act of 1959 as amended by the 1961 Housing Act to finance a cooperative housing development.

The members of this corporation, who are all members of the senior citizens council, represent a good cross-section of our community. They are dedicated to the cause of making a good life and a full life available to all older citizens regardless of their means. In the charter of the association we refer not only to housing but community welfare, recreational and other related facilities and services. It would, in my opinion, be false economy not to make sure that we build for our older citizens provisions not only for housing but for ample facilities to meet their other needs. One of the mistakes that may have been made in the so-called low cost housing projects has been the building of large projects without adequate planning for the social, recreational, spiritual and physical needs of the residents. We should not repeat this mistake in our plans for cooperative housing for our older citizens. Under section 202 we should not build places only for people to exist but facilities where people will want to live. In our desire to house all the people who do not have the means to locate decent housing on their own we only damage and injure ourselves if we indulge in false economies. Too many of the complaints we hear all too often about public housing can be attributed to the fact that this type of housing has been looked on solely as brick and mortar structures. Apparently too little thought has gone into providing the type of community facilities that can turn a project into a good neighborhood.

A housing development without recreational and welfare facilities or places to worship is a place to exist but certainly not a place to live. Housing is more to me than merely getting people in out of the rain. I propose that a nonprofit association seek to sponsor housing, yes, but seek also to make new housing part of our community. There must be as part of new dwelling construction proper facilities to meet the physical, social, and spiritual needs of our people. That is why I was encouraged by the type of thinking that struck the dollar limitation restriction on related facilities out of section 202 in the 1961 Housing Act. Section 202 has to date been treated as a pilot program.

I believe the actual appropriation for the present fiscal year under this section is approximately \$25 million, which is estimated to cover the cost of about 2,500 units in the entire country. If an adequate supply of decent and desirable housing is to be constructed to meet the needs of our senior citizens along with the community facilities about which I have spoken, then far larger appropriations are necessary. I have been told that appropriations under section 202 already have exceeded the available funds manyfold. It is for this reason that President Kennedy asked for a supplemental appropriation in the current fiscal year of \$50 million additional. From the need that we see in East Orange there seems to be ample justification for the President's request and I hope that Congress will support it in the next session. I would hope, now that Congress has given us hope that something can be done with a tempting sample, such as section 202, that we now move forward even further.

In closing I would like to express my profound appreciation to Senator Williams for his invitation to be here, and to you, Senator Case, and for Senator Williams' help to us in the past. When we were stymied in East Orange last year because of the prohibition in section 202 against making direct loans to cooperative housing, I brought the problem to the attention of Senator Williams. It was largely because of his efforts, I believe, that the difficulty has been overcome in the 1961 Housing Act. It seems to me that cooperative housing can have special meaning for older persons. Many of them while retired have the kind of energy and skill that can be most usefully employed in a cooperative venture. They do not need, nor do they want, welfare. What they want is an opportunity for self-help, a desire that cooperative housing is well designed to satisfy their needs.

At this time I should like to take the opportunity to congratulate the AFL-CIO leadership for their interest in advancing the program to provide housing for the elderly at modest rentals. I thank you for the opportunity to appear here this afternoon. And I am sure that it is comforting to our older citizens to know that they are not the forgotten generation, on the contrary their well-being is a matter of deep and lasting concern to all of us as public officials.

Senator CASE. I appreciate that thoughtful statement. On Senator Williams' behalf I thank you for your kindly references to him.

Mayor KELLY. Thank you very much.

Senator CASE. I understand that Arthur Padula is here to speak for the Home Builders' Association of Metropolitan New Jersey.

STATEMENT OF ARTHUR PADULA, HOME BUILDERS' ASSOCIATION OF METROPOLITAN NEW JERSEY

Mr. PADULA. Senator Case, Senator Williams, distinguished guests and elderly citizens, I am not a politician. I hold no public office whatsoever. I happen to be a homebuilder. Most of my activity is here in the Newark area.

I have sat and listened to a great deal of talk about housing for the elderly, until I have arrived at the point where I wonder if I want to hear much more talk but rather see a little more action.

Senator CASE. May I say that you sound as though you are qualified to be a pretty good politician.

Mr. PADULA. Thank you, Senator. We are very, very grateful, really, to the Senators and to the distinguished guests who have taken their time and effort to come here to Newark to listen to the problems that surround us. I have built in Newark about \$30 million worth of housing in 10 years. I think I have built a third of all the multiple housing that has been built within the city. So if I rattle off some figures for you I am rattling it off for you because you ought to know what the situation actually is, not what we would like it to be.

Here is a situation where Congress has literally passed billions for housing, millions for housing the elderly, and we don't have one application on file in the Newark office for any elderly housing project. What do you think of that?

There is no point in saying the program is good. There is no point in saying the office is good. There is no point in saying what Congress intended. I think we ought to look the situation square in the face and say, "Well, why is it that with billions appropriated and millions dedicated for housing for the elderly that in Newark, the largest city in the State of New Jersey, and one of the largest in the country, that we don't have one application on file, let alone any being built?" There must be something wrong and it isn't the fact that private enterprise cannot do this job, because private enterprise built this country, private enterprise is building a million houses a year—in fact, a million four hundred thousand this year throughout the United States. And the fact that we are not building one project for the elderly here in Newark doesn't mean that private enterprise is no good, maybe there is something wrong with the act.

Senator WILLIAMS. Mr. Padula, may I interrupt and ask a question?

Mr. PADULA. Surely

Senator WILLIAMS. What program are speaking to now? There are several different programs designed for meeting the needs of our elderly citizens in housing.

Mr. PADULA. Thank you, Senator. And I would like to address myself to these technically in just a moment.

Senator WILLIAMS. Newark has public housing for—

Mr. PADULA. Yes, but I am addressing myself to private enterprise and its function in housing for the elderly. We do have public housing as housing for the elderly.

Now, in my opinion, and in the opinion of the home builders, we don't think that elderly people ought to be segregated in one part of the town. We don't think that they ought to be second-class citizens. We don't think that they should be isolated from their friends and their relatives. And we don't think that they should be segregated to one part of the community where they ought to live the way we lived as veterans when we came back from the war. That's for the birds. We think that the elderly citizens ought to live within the community, be a part of the community, have the availability of all the necessary facilities, like schools, shopping, hospitalization, and everything else that goes with it, and it is within that realm that this problem will be solved.

There isn't any point again in talking about housing people for \$15, \$18 or \$20 per room in a rental housing program, or in housing somebody in a one-family house out in the country for more nearly \$30 or \$40 per house per month, when taking rental housing first the

taxes in the city of Newark on rental housing are literally \$10 per room per month. So that if you have a three and a half room apartment or a four-room apartment you start out with about \$400 in taxes for that apartment per year.

In the second place, with present costs—with the high cost area the way it is; and we do have the highest cost area in the United States, it does cost \$4,500 a room to build, with the life of the mortgage 37 years and 8 months, and the interest rate is $5\frac{1}{4}$ percent for construction money, and Fannie Mae does take the mortgage after the house is completed, you will find that on a mathematical basis, and adding a half a percent for FHA insurance, and $1\frac{1}{2}$ of 1 percent for amortization, or a total of $7\frac{1}{4}$, on \$4,500, and you will see that it cannot be done for anything like \$18, \$20 or \$22 per room.

Then in addition to that we have to add to it the cost of operating that apartment house, which means the heat, and light, and gas, and the janitorial service, and the redecorating, and so forth. And the fact of the matter is, without tax abatement, without some kind of a public subsidy, it is going to cost \$50 per room per month. This is not a pleasant outlook, to be sure.

This is the reason why you don't have one private application in the city of Newark and very few throughout the country where the same conditions exists, because if that apartment is then contemplated to be a four-room apartment, contemplating even two bedrooms, if you please, you will very readily see that the rent would have to be \$200 per month.

These are the facts. These are not daydreams, but these are literally the facts.

We have another situation in this area which you are well familiar with. First, our tax situation; second, our cost of money situation; and, third, the cost of land. There isn't a community in this area where when we go in and want to build housing for the elderly which doesn't want half an acre, or three-quarters of an acre or an acre of ground. Land today in this area, as you well know, small lots, 75 by 100, 50 by 100, cost anyplace from \$6,000 to \$10,000. So when the requirement automatically is that you have to have the same area and the same size as anybody else that builds a house, you are saddling this project with a land cost to begin with of \$7,500 to \$10,000. And then, in addition to that, when they tell you that you have to have 1,800 square feet, because "we don't want small houses in this community," this 1,800-square-foot house when you get through costs \$17 to \$20 per square foot—now becomes a \$35,000 house. And all the national benefits vanish because when we get through it now costs someplace between \$175 to \$200 a month to carry that house.

These again are the facts. So while the industry and private enterprise is charged with the fact that it cannot do this job, the fact of the matter is that it can do this job if it is given the proper tools. And the emphasis should be placed on not that we love old people, or that we don't love old people, because we do. There is no more reason to talk about that. We know statistically how many old people we have. We know what their earning capacity is. We know what the shifting population is. We know the need and the desire for older people to be housed. But the fact of the matter is that if the social security and the pensions are going to be based on about \$30 or \$40 or \$50 per

month, this is the limitation that you have to work with. And this cannot be done.

Let us take, for example, the FHA insurance program, to make a specific point, Senator, of what I am referring to. The FHA insurance program is based upon an insurance of a half of 1 percent for all the money that you borrow in connection with a mortgage. It might interest you to know that FHA has a reserve today of \$800 million, after all reserves have been set aside for losses. It was never intended that the FHA was to make a profit. It was never intended that the FHA should have that kind of reserves. It was intended that the half of 1 percent would accumulate enough money to take care of the prospective losses. And after every reserve has been set up and after every loss has been written off, we still have some more money in the FHA reserve fund that we don't know what to do with.

Now, why would it be that in housing for the elderly, with a guaranteed tenancy, with more tenancy in the future, why should we turn to half of 1 percent to insure that mortgage? Let's assume that it is a \$10,000 mortgage, and let's assume that the period is a 50-year mortgage, and let's assume at the end of 25 years it is half paid off. How could you possibly have a default the last half of that mortgage; and, if you did, why would you be collecting a half of 1 percent on the reduced amount to insure the possibility of a loss? Who is paying for that? Not the builder, not the developer; no, but Mr. Tenant, the occupant is.

Therefore, I think that a new look should be given to housing for the elderly in this regard. Firstly, I think the risk is minimized; nobody can deny that. Secondly, we have a guaranteed market; nobody can deny that. Thirdly, we have a limited income of that group; nobody can deny that. Fourthly, this group should not be placed in concentration camps, segregated areas, or be given anything that looks like a second-class citizen group. We don't want it to be said, as they might say at St. Petersburg laughingly, "You come down to St. Petersburg to die," because a great many old people are there; that isn't so. Neither is it necessary for every old person to live in one group of the city so it would be said they are isolated in that area, they are stigmatized by being in a camp, or they are stigmatized by being federally subsidized.

This program can pay for itself and can go along on that basis. And we in the Home Builders ask for nothing more than for Congress to listen to the problem, to change that legislation to the point where a private enterpriser, a builder, a sponsor, will be willing to go into the FHA and file an application on behalf of the housing for the elderly. But he is not going to do that if he finds that he files an application and it takes a year and a half to be processed, No. 1; he is not going to do that and find that if he files the application and pays his fee, for example, at \$3 a thousand that it might not even come out of the FHA; he is not going to find out that if he gets up early in the morning, and works hard, and is very efficient, and builds the building for less than the estimated cost, that the mortgage will be reduced, eliminating, if you please, the efficiency on the part of the American builder—which is idiotic.

On the other hand, if he is sloppy, and doesn't know anything about the business, and he spends all of the money that is in the mortgage, then he can retain it. But if he is efficient he has to reduce the face amount of the mortgage on certification.

These are the problems. And it is with that in view that I would like to close. Again I thank the distinguished guests; I thank you as an audience. And I, for one, would like to participate in the housing for the elderly program if I thought it was workable and practicable. Thank you.

Senator WILLIAMS. Thank you very much, Mr. Padula. Did you testify before the Banking and Currency Committee on the housing bill?

Mr. PADULA. I did.

Senator WILLIAMS. I thought you did. I saw Mr. Spector make a note when you said a year and a half in process—the application a year and a half in process. I don't think with this dynamo there it will be a year and a half before these applications are processed.

Do you want to comment, Mr. Spector?

Mr. SPECTOR. I am very glad to get his views, and I am going to take them back. I think a year and a half for processing is a considerable period if that is the case and should be cut in most instances.

Mr. PADULA. Thank you.

Mr. SPECTOR. I will say, however, that around the country the number of FHA applications now for housing for the elderly is growing rapidly, and we do have a considerable movement in other parts of the country.

Mr. PADULA. It could be. We don't get those statistics.

Senator WILLIAMS. Thank you again.

Mr. John C. Lumley, who is executive director of the Housing and Redevelopment Authority. And I believe you have some people that you want up with you.

STATEMENT OF JOHN C. LUMLEY, EXECUTIVE DIRECTOR, HOUSING AND REDEVELOPMENT AUTHORITY, ASBURY PARK, N.J., ACCOMPANIED BY MR. MATTHEWS, MR. ROSS, MRS. BOUKATER, MR. LANE, AND, AND MR. DeGENESTE

Mr. LUMLEY. Right. I will bring them up in just a minute.

Senator WILLIAMS. You might as well bring them up now.

Mr. LUMLEY. Mr. Ross, Mrs. Boukater, Mr. Lane, and Mr. DeGeneste, will you join us up here?

Senator WILLIAMS. Your city is Asbury Park; right?

Mr. LUMLEY. That's correct.

Senator Williams, Senator Case, I want to thank you for this opportunity to appear here today before your committee. We will let our own people who have lived in a low rent senior citizen project for over 2 years give you their ideas of the type of construction that any community in this State or this Nation can produce for them if the people in the local communities have the initiative, the drive, and the planning that is necessary to give them decent housing.

I was a veteran of both of the wars—World War II and the Korean war—and I know in Asbury Park we don't build anything that resembles war housing. I know there are a few things that can be

done based on these past years of experience we have had with our elderly housing. One of the things for our smaller communities, we are going to have to analyze and scrutinize very carefully the Public Housing Administration's statutory room cost, because on today's market if a small community wishes to build 25 to 50 units for their aged citizens they have a very difficult time in getting the jobs in under the statutory limit.

On this I know something can be done here. I know that we haven't even scratched the surface in Asbury Park. We have 110 units exclusively for our elderly citizens and we have a thousand applicants trying to obtain these apartments.

We have also, as has been indicated here earlier today—we have planned the housing so that all the community facilities work together so that the people have a normal social life. They are not stigmatized, they are not set aside in our community.

There is another point that I would like to leave with the committee and that is in the far-reaching planning. When we planned our project in 1956, 1957, as soon as the law enabled us to build for our elderly citizens, we had to do a lot of searching, and we found and have discovered that one small example is that you do not need the parking space that the normal apartment construction requires. In one 50-unit apartment we have 8 automobiles. We have located everything within easy reach of our churches, of our stores, and of our community itself.

These are just some of the viewpoints that I am glad I have the opportunity to leave here and talk to you gentlemen about. And I want to thank you again for allowing me to come up from Asbury Park. If you have any questions, I would be glad to answer them. I am going to let our citizens speak for themselves.

Senator WILLIAMS. One question. What program were your 110 family units built under?

Mr. LUMLEY. PHA, Public Housing Administration, which is low rent.

Senator WILLIAMS. What are the statutory maximums now?

Mr. LUMLEY. \$3,250, the room cost.

Senator WILLIAMS. What do you think is realistic?

Mr. LUMLEY. With a 40-unit or a 30-unit apartment it should be about \$4,000.

Senator WILLIAMS. All right. Now, this will be the beginning of our town meeting.

Mr. LUMLEY. All right. Thank you.

Senator WILLIAMS. You have your friends with you. We will be glad to hear from them.

Mr. LUMLEY. First I would like to let Mr. Matthews, who is one of the officers in the Senior Citizens Club of the Comstock Courts, speak to you now.

Mr. MATTHEWS. Well, I can say we have a lovely building there. I don't think it can be duplicated for what we are getting.

Another thing, we also have our neighbors all in one family. We have a club, we have the clubroom, and we have a piano donated to us, we have a hi-fi, pool table. We have all the facilities for recreation. We have a party night once a month. We have a meeting once a month. And we have anywhere from 60 to 80 percent of the people

down in our building all the time. Of course, some of them are unable to get down. And that's about all I can say about that.

Senator WILLIAMS. What is your full name, Mr. Matthews?

Mr. MATTHEWS. Mr. Harry Matthews.

Senator WILLIAMS. What is the name of the apartment project?

Mr. MATTHEWS. Comstock Courts.

Mr. LUMLEY. At this time I would like to call on Mr. Ross to say a few words. Mr. Paul Ross.

Mr. ROSS. Well, I can't add much more to what Mr. Matthews said. My wife and I have been 3 years in Comstock Courts and we are more than satisfied. That's all I can say.

Mr. LUMLEY. Mr. Dorsey Lane.

Mr. LANE. I am very glad to be here and to speak in behalf of the project since I have been living in the project. I find no quarrel with it. It's easy rent to me. I was paying \$60 before I got in the project and I am only paying \$40. I am proud of it. I am glad I'm in there. I have no objection at all. There is only one fault I have and that is the city should give us a little more office than they are giving us.

Senator WILLIAMS. I missed part of that. I missed your name, too. What is your full name?

Mr. LUMLEY. Dorsey Lane from Newark Housing.

Mr. LANE. 160 Spruce Street.

Senator WILLIAMS. What is the city not doing? I missed the point.

Mr. LUMLEY. Not giving him enough office space.

The next will be Mr. William DeGeneste from Newark.

Mr. DEGENESTE. I live in the Stella Windsor project and I am quite satisfied with conditions. I was paying, say, \$10 a week where I was living before, now I am paying \$31 a month.

I would like to know what the Government is going to do about the senior citizens, about medical help for us. That's what we really need bad. When you go to a doctor today, pay a doctor \$5 a visit, and have to pay \$5 for medicine out of the income we have, we have nothing left for food and clothing. I think that's something the Government should look into very much for our senior citizens, speaking for myself and all the citizens. Our income is very low. And I think we need some help in that department. Thank you.

Senator WILLIAMS. It would interest you to know, sir, I just left the Secretary of Health, Education, and Welfare, Secretary Ribicoff, at a luncheon, and he addressed himself to the problems of medical care. And I know he is putting every fiber of his being into the program and will fight within the Congress across the country to get the social security concept accepted. So we are hopeful.

Mr. LUMLEY. Thank you, Mr. DeGeneste. Now I would like to get a woman's viewpoint from the Asbury Park low-rent housing, the senior citizens at Comstock Courts. Mrs. Emma Boukater.

Mrs. BOUKATER. I have been in Comstock Courts for 2 years. I have a beautiful four-room apartment, two bedrooms, a beautiful reception room, and a kitchen fully equipped. And I am very thankful at my age and happy that I can be at Comstock Courts.

Senator WILLIAMS. Do you have many of the physical arrangements that have been discussed, the wider doors, the grip rails, and other things of that nature, Mr. Lumley?

Mr. LUMLEY. Yes, we do.

Senator WILLIAMS. What is the feeling of your friends here, are these useful, are they worthwhile? Mrs. Boukater?

Mrs. BOUKATER. Yes, they certainly are.

Senator WILLIAMS. Do you find them useful?

Mrs. BOUKATER. Yes.

Senator WILLIAMS. Mr. Matthews?

Mr. MATTHEWS. All our doors are wide enough to get through any kind of a wheelchair. And they also have the grip in the bathtubs to get in and out, every apartment has it. It is very well equipped. Everything is in hand's reach.

Senator WILLIAMS. How many applications are pending, Mr. Lumley, for admission?

Mr. LUMLEY. We now have 700 applications on file that are apparently eligible.

Senator WILLIAMS. Are they all residents of Asbury Park?

Mr. LUMLEY. Yes, they are.

Senator WILLIAMS. 700.

Mr. LUMLEY. That's correct.

Senator WILLIAMS. How many units do you plan for new construction?

Mr. LUMLEY. Sixty.

Senator WILLIAMS. What is the population of Asbury Park?

Mr. LUMLEY. 18,000.

Senator CASE. The average size family in this 700 applications is what?

Mr. LUMLEY. Two-person families, Senator Case.

Senator CASE. That would be 1,400 people out of the 18,000 want to get in.

Mr. LUMLEY. Right.

Senator CASE. In addition to those you have already taken care of in various housing projects.

Mr. LUMLEY. That is correct.

Senator WILLIAMS. What percentage of the tenants at Comstock Courts are in what we consider the senior citizen group?

Mr. LUMLEY. This is exclusively senior citizens. We built the first one in the State of New Jersey. Exclusively for senior citizens.

Senator WILLIAMS. And those 700 applications, are they all senior citizens or just applicants for public housing?

Mr. LUMLEY. They are applicants for senior citizen housing only, 62 years of age or older.

Senator WILLIAMS. Do you have anything else?

Mr. LUMLEY. No, I have nothing else.

Senator WILLIAMS. Well, we are very grateful to you for journeying here from Asbury Park and giving us the benefit of the very wholesome experience there, although, as we can see, very inadequate with the needs of the city.

Mr. LUMLEY. That is correct. Thank you very much.

Senator WILLIAMS. I think we will ring the bell for town meeting. It is an old New England custom. I am not sure I am a very good moderator. Maybe I will get help from my Quaker friend, Senator Case. I think the floor is open, in an orderly way, for one at a time, isn't that it?

Senator CASE. I think that's right.

Senator WILLIAMS. All right. Ladies first. We want to have a full name and address so that we will all know you.

STATEMENT OF MRS. BESSIE MANDEL, ELIZABETH

Mrs. MANDEL. My name is Mrs. Bessie Mandel. I come from Elizabeth, from Elizabeth Golden Age Club that meets in our "Y". We have 200 members and we meet twice a week. We meet on Monday and we meet on Wednesday. We discuss everything that's about the golden ages.

And all I can say about the housing is that it should be the first thing on the agenda. We older people must have a place where to meet. All the sicknesses, and all those aches and pains we would lose if we had our own place.

I talk from experience. I gave up my home after my husband died and then I moved in with one of my children. I lived 6 years with a daughter. She is a very good daughter, and I have a very good son-in-law, and everything has been very fine. But it couldn't take the place of your own nook and corner. And at last I got my own place.

Naturally, we all live on a limited income. So we got to have housing the first thing before anything else. There is a lot of things that could be desired but we cannot do all the things at once.

We in Elizabeth have worked—the Golden Ages, our 200 members have worked for our own Golden Age project and at last we are going to break ground in 2 weeks, and next year, Christmas, with the help of God we hope to have 250 Golden Age apartments. And then we also have another apartment coming up.

It is all up to you people. You mustn't slow down. You've got to try very hard and leave the Government know, the city officials know what you are for, what you want. But if your voice is not loud enough you don't expect them to do anything about it.

So far our city of Elizabeth has done very nice by us and we appreciate it. And the papers, the publicity that we got have been very good. And so far we hope to see our project go up.

I want to thank all the officers here for giving me the opportunity to speak. And I am very glad to speak to all my members because the Golden Agers are very dear to me. I belong only 6 years with them. I have been for 6 years secretary. Now I am first vice president in our Golden Age Club. We do a lot and we do a lot for the city. And whenever the city calls on us we are there to help them, and anybody else. Our doors are open to all the people. All golden agers who are not Golden Agers come in and meet with us and see us. You are all invited. Thank you.

Senator WILLIAMS. We hope there will be many success stories similar to yours, Mrs. Mandel.

We have a microphone here and a microphone there and it might expedite things to have those who anticipate saying a few words start coming around toward the microphone. We will get your names and you will be ready to go. Yes, sir.

STATEMENT OF FRED T. ECKES, HACKENSACK, N.J.

Mr. ECKES. Senator Williams and Senator Case: My name is Fred T. Eckes, 275 Beach Street, Hackensack. I have been a builder. I am the housing consultant and represent the Senior Council of Bergen County, the central agency for more than 40 Bergen County senior activity groups.

I have been a suburban builder and developer. For 7 years I have been assembling a fund of information on middle income housing. I have participated in a number of committees and conferences, including the Senior Housing Committee of the Newark Community Survey. At present I am involved in various phases of promotion in Ridgewood, Hackensack, Glen Rock, East Orange, and Newark. That is my background.

At present there is practically no building income housing—middle income senior housing in New Jersey. The question is: Why? Mr. Padula answered one angle of the question, high cost of building. I have another angle of it as to the why.

After a number of observations I will offer two recommendations. Possibly these observations may sound dogmatic and merely in line of personal prejudices, a purely personal point of view. Far be it, I hope. My conclusions are based on a survey, visits to senior housing facilities in New Jersey, New York, Oregon, California, and Massachusetts. And, most important, the thinking has been passed on to me by many senior citizens.

May I ad lib and say that quite a few younger people get their information out of a magazine article or a book and their younger point of view missed the target altogether in regard to our older projects. It is no secret, I am 71 years old.

Senator WILLIAMS. If it would make it easier for you—I see now why you want to sit down. Why don't you just summarize the statement in your own words without making it inconvenient for yourself to read it?

Mr. ECKES. I can read it.

Senator WILLIAMS. Could you give us the benefit of what changes could be made that you propose, sir? It would be most helpful to hear from you, a builder.

Mr. ECKES. Well, I wish you would give me 5 minutes. The reading time on this is 5 or 6 minutes.

Senator WILLIAMS. All right. It is all in there?

Mr. ECKES. Yes, sir.

Senator WILLIAMS. Fine.

Mr. ECKES. I have a number of observations. No. 1 is basic: We should avoid absolutes and generalizations.

2. Ninety percent or more of the elderly wish to continue living in or near their home community.

3. There is a wide range of preference and needs. The active and not-so-old elderly who desire modern and compact housing abhor the background of devices and safety features essential to the older and infirm.

4. Most elderly like to see children but do not want to hear them too much—that is, live with them.

5. Senior housing should be close to the main stream of life, within walking distance of bus transportation and marketing.

6. The most effective deterrent to building middle income housing has been that it is unprofitable for risk capital.

7. There are three successful senior housing prototypes I would recommend for New Jersey.

(A) The Lammet View Manor, Portland, Oreg., a 240-unit high rise facility, financed 100 percent by the residents as an entrance fee.

(B) York House, Philadelphia, also a nonprofit high rise building sponsored by the Albert Einstein Medical Center leadership.

(C) Springvale Garden, two-story rental compact garden apartments, a successful real estate promotion in Westchester County.

My two suggestions are: Legislation to provide for cooperatives within the framework of the FHA program for the elderly. This I had written before Mayor Kelly covered the same ground. Mayor Kelly of East Orange and Senator Harrison Williams to a major degree have been responsible for the inclusion for cooperatives in nonprofit sponsored SHA programs in the 1961 housing bill. The same should be done for the FHA program.

Suggestion No. 2 is that a senior housing foundation would and could best develop expert know-how and provide necessary preliminary financing and services. The proposed foundation would serve local community senior housing committees and other nonprofit sponsoring agencies. Such a foundation could do for senior housing what the United Housing Foundation in New York City and the Foundation for Cooperative Housing outside of New York City have accomplished. They have sponsored, promoted, and built many, many thousands of living units at the very, very lowest room cost and maintenance charges.

If the senior housing foundation meets with your consideration—and I am speaking to the audience, not to the Government here—if it meets with your consideration then I would suggest that you study—you might form an ad hoc committee and study the problems further. Such a study committee might be or not within the framework of the National Council for Senior Housing.

However, with a broad base of representation a committee could search out information and cooperation of existing agencies, including the two housing foundations.

Incidentally, it was the Foundation of Cooperative Housing that made this suggestion to me that we have a foundation for senior housing.

In conclusion do I pay tribute to the progressive leadership of the New Jersey organized labor leadership for its effective interest in concern for the elderly. Possibly New Jersey organized labor would provide funds to finance the proposed senior housing foundation exploration.

May I say that Mr. Padula asked why they haven't gotten into it. I have been on a number of committees and we get to the point, yes, we would like to do something, and there isn't the preliminary seed money there to get started. That is what is needed and the foundation, I believe, would do so. Thank you, gentlemen.

Senator WILLIAMS. Thank you.

STATEMENT OF CHARLES W. HANCOCK, JERSEY CITY, N.J.

Mr. HANCOCK. Senator Case, Senator Williams, it is a pleasure to be here. My name is Charles W. Hancock. I come from Jersey City, N.J., a depressed area, an area where we have acres upon acres of ground where taxable homes have been torn down and very little housing—that is, public housing—to take their place.

Senator WILLIAMS. Is this an area of urban renewal?

Mr. HANCOCK. Urban renewal. I have submitted to the committee a statement with various documents, photostats of news items, and I can give you a real sheaf of these news items over a period of years regarding housing.

What I am particularly interested in is this. Before we tear down any housing let's build housing previous to it so that when we have to displace these tenants we have places for them to go to. Build first, then you can tear down.

A neighbor of mine called me over. He was terribly upset. He was going to move and he had an old dog. He said, "Bill, what am I going to do? Will you take him?" So I took him. And he takes me around every morning, around the cemetery. I live across the street from the cemetery. I had to go out four or five times. I have a bad heart, I have two bad lungs. And I look at the old devil and I say, "Gee, fellow, you got me in a hot spot. I think I am going to give you to the dog catcher. That's the only place." I wouldn't take a chance on putting him in a home where he would be abused. Then he looks at me. And I look at myself and I say to God, "I am asking you for the same privileges that this poor dog is asking me." Can I turn him down?

Gentlemen, I come to you. These people come to you. We are asking you for the same privileges as that dog is asking me. I go around the cemetery and going through the cemetery—we hear so much about old age—when I look at the epitaphs on the cemetery, and I recommend it to you when you go there, look at the epitaphs and you see the old folks—65, 75, 80 years of age, when the population of New Jersey was about one-fourth of what it is today. It isn't medicine that is keeping us alive, it is the fact that we don't have to go out with picks and shovels, and "buggylug" and bulldoze, the way our ancestors had to do. We have automation today. We have different and easier ways of working, new processes.

And, by the way, it is increasing to such an extent that the time is coming when you gentlemen, Senators, will have to consider a retirement at 52, with a spending income—not a subsisting income—because the time is coming, with mergers, improved processes, automation, that there will be so many of us looking for work that we won't be able to get it.

About housing for the aged, public housing, in general. Our Jersey City Real Estate Board has gone on record opposing housing of any type, particularly for the aged.

I want to introduce William Hasch, our president of the National Federation for Social Security; Mrs. Lillian Allen, our secretary.

We have worked strenuously for housing for the aged. We have been put off on several occasions, and now we have two locations, one on Cator Avenue and one on Ocean Avenue. We would like to see

those things go through, whether we have men like Mr. McCloskey, the head of the real estate board, opposing it. And we have an organization there in urban redevelopment that is lagging. We are not going to get anywhere. That is why we are here today.

Mr. Hasch has been responsible for submitting to you, Mr. Williams, through our Congressman Daniels, over 6,000—between six and eight thousand signatures on behalf of medicare. It's a shame, a crying shame, that the State of New Jersey hasn't adopted the Kerr-Mills bill—as bad as it is. And we do hope sincerely that when you convene again that social security, medicare under social security, will go through. It doesn't make a darn bit of difference whether a man is able to pay private insurance, or whether he has an income and should not be allowed to collect medicare under social security because he has an income. The great majority of us haven't. I live on \$1,200 a year. I pay \$40 rent per month in the summer, it costs me \$65 in the winter. I should be paying \$10 a month for medicine. When I go to the hospitals I have to humiliate myself to pay a dollar. I have been refused X-rays in one of our hospitals in Jersey City.

How can we do it? Social security is the problem. If we all had insurance under the Prudential, the Met, nobody would raise any argument as to whether you with three, four thousand dollar income were entitled to the pension returns, for which you pay, any more so than me with \$1,200. We pay that insurance premium.

Social security is one of the finest, one of the best insurance policies there is today, as poor as it is. But I hope to see the day, gentlemen, when it will be approved and very, very soon.

Senator WILLIAMS. We share that.

STATEMENT OF ADOLPH RUBENSTEIN, NEWARK, N.J.

Mr. RUBENSTEIN. My name is Adolph Rubenstein. I reside at 148 Chancellor Avenue, Newark. I am here representing the Council Center for the Older Adults. They are organized as a day center for older people since September 1947. Five days a week we have programs, daily programs. We are active. We haven't got a dull moment.

The organization is sponsored by the Newark "Y" and "YW" of the Jewish Community Center of Essex County and the National Section of Council of Jewish Women.

There is a luncheon served every day at a very minimum cost. If I would tell you that you can get a roll and cheese, and a bowl of soup, and a glass of milk or coffee for 15 cents you wouldn't believe it possible. Yet we have been doing this for the past 14 years. And we hope to do it in the future.

But I am here to express our thanks to the men and women in public life and in private life who are taking interest in the older age groups.

As far as housing is concerned, we know that the city of Newark has made a good start. There are two buildings ready for occupancy about the first of the year. There is only one thing that I was thinking for myself, that I don't know where some of our people will be able to adjust themselves to go on that 10th, or 12th, or 13th floor where they might feel isolated. I think it would be a better idea if the

project was spread out. They are accustomed to living near to the ground and not up in the air, at our ages. And I think it would be a better idea if the program was spread out so that we wouldn't have to go up so high. I thank you very much, ladies and gentlemen.

STATEMENT OF MARTHA ROSNER, NEWARK, N.J.

Mrs. ROSNER. I am Mrs. Martha Rosner. I live at 118 Seth Boyden Terrace in Newark and I am appointed speaker here today for the Seth Boyden Golden Age Club. I am here in the interests of our community and for the interests of the people in this room.

My vital subject has been brought up by previous speakers, but it is very important that I speak today on social security. We have people here from the ages of 62 and over who are receiving very poor social security. I as an individual am in my fifties and disabled and I am not able to work, so therefore I am on disability social security, as many of us are.

My problem is this. When the widows got their 10 percent increase it meant nothing to them. I have one little example that I would like to put in where a woman receiving \$47 a month and paying \$28 a month rent. The \$28 is being supported to her by the welfare of Newark. But the \$5 that she got increased to \$52, the \$28 was reduced to \$23. In other words, they took from Peter to give to Paul.

Another thing. What happens to the people who have worked all their lives? As an example, I have worked for the past 20 years. I didn't get an increase, neither did a lot of others who have worked all their lives. I can't see why that only widows should get 10 percent increase and not the rest of us.

I think it is very important that this social security be well taken care of, Mr. Senator. And furthermore, I do live at Seth Boyden housing and the elderly there certainly need a clinic and they do need nursing and the medicines that they need. I have my president here today, Mrs. Rebecca Fishman, who wants to give a few examples of what is going on with our social security because I cannot read it.

Mrs. Rebecca Fishman, will you please step forward and give the examples of what I am talking about.

STATEMENT OF MRS. REBECCA FISHMAN, NEWARK, N.J.

Mrs. FISHMAN. Thank you, Martha.

Mr. Senators, just a few examples of some of the cases that come before us almost every day. The first of these cases is a woman who is a widow. Her income is \$54.50 a month from which she pays \$28 a month and also has to pay medicine for arthritis.

The next one is a couple who get an income of \$117 a month. The man is a diabetic and has a heart condition. His bill for medicine is \$35.50. Their rent is also paid from their social security. He visits the doctor once a month and that costs him \$8.

Another one, also a couple. Their income is \$80 a month. This man has a heart condition, is a diabetic and has bad vision. It costs him \$15 every 6 weeks for medicine and also \$10 a month for the doctor. This man is 69 years old. The rent also has to be paid from the social security.

The next one, also a couple, their income is a little higher, \$146 a month. But this man has glaucoma since 1955 and his medical expenses are \$8 a week, \$10 every 6 weeks for the doctor, and also his rent.

In fact, we have a few of these people in our audience today. Thank you ever so much.

Senator WILLIAMS. Thank you, ladies.

Mrs. ROSNER. May I go on? Mr. Senator, it is very important that we have a clinic at our housing. We do have quite a few elderly people. We have this Seth Boyden Golden Age Club that ranges from the ages of 50 and over, which I come in that category, and I would appreciate if you would take this message back to Washington and have them review the social security end and please see that a clinic is put into our housing, that we have nurses, that we have doctors.

And, believe me, there is one other question I would like to throw in, but I do not think it is in this Government, but I do like to bring it up. We have an ambulance in the city of Newark that comes out without a doctor.

I have examples where they have come out without doctors. And I have seen a man drop dead because they would not take him to a hospital. The orderly comes in and puts him on the stretcher. If you would have a doctor there at the time he may have to give him a needle or something that he can bring him some comfort. This is of very vital importance to us in Newark.

Mr. Senators, take it back to Washington and see what you can do for us. Thank you.

STATEMENT OF WILLIAM HASCH, JERSEY CITY, N.J.

Mr. HASCH. My name is Mr. William Hasch from Jersey City. I am the president of the National Federation of Security and started this organization 4 years ago. I am still a member. Senator Williams was at our meeting once. He wasn't Senator then—Schuetzen Park.

We should be glad, ladies and gentlemen, that we have our great Senators, both of them, sitting here, they listen to our hard luck story.

We all know this. In every meeting at Schuetzen Park we listen to it, too. And we all know at 70 we don't get too old. And I am working yet, not steady, I am working yet to make myself a few dollars to spend when it is necessary.

I hope and wish that when our our Senators go back to Washington they tell their friends and tell the Congressmen for the next election when they vote on this hospitalization bill first and then comes maybe housing, but hospitalization we hope the very first thing.

Thank you very much.

Senator WILLIAMS. Thank you very much. You have as much vigor as Senator Case and I put together.

STATEMENT OF MRS. McILROY

Mrs. McILROY. Senators, I am Mrs. McIlroy. I am here with a group of about 50 members. I am representing the Otto E. Kretchmer Golden Age Club. We have a membership of 160 members. We all live in the Otto E. Kretchmer Homes.

Senator WILLIAMS. Who is Otto Kretchmer, by the way?

Mrs. McILROY. Of Newark. I don't know who he was. I often wanted to know. Could someone tell me who Otto E. Kretchmer was?

A VOICE. He is the one who put up our first house.

Mrs. McILROY. Thank you.

Senator WILLIAMS. Former housing commissioner.

Mrs. McILROY. There isn't very much that I can add to what all the other speakers said, except that we are really in need of housing for the aged. We, in our senior years, think that we should be given more housing because we want to live—they call it our golden age years. We want to keep it that way and have housing that we can live in a respectable way and a respectable place, where we have all worked most of our lives. Most of us are here from Newark and we have lived in better surroundings. We want housing so that we can feel independent. We don't want to live on our children. We want to be independent for the rest of our days and the only way we can do that is by having housing.

And we also want medical aid through social security. We think that way it would be a very, very good thing.

And I think that if we would get that, the need of social security—medical aid through social security is one of our greatest needs outside of housing, and I think if we would get that, that we would really have what they call our golden years.

I say we do live in the Otto E. Kretchmer project. We have very lovely rooms there. We are all very thankful to this Government for letting us live there. But there are some existing conditions that are not so good. We don't have enough lighting around our project. Our elderly people are afraid to go out at night. And we do need lights around our buildings. And we also need medical aid there. I think they are going to have a clinic in the new building. That's what I was given to understand. I think that is a very good argument.

And I also feel that it is hard to get doctors to come to the project. Something may be able to be done along that line, because I know we call for a doctor and we really can't get anyone to come out. Perhaps something can be done along that line for us elderly people.

And I am now a spokesman of our club. I am going to call on Mr. David Ender.

STATEMENT OF DAVID ENDER

Mr. ENDER. Senators, other officials here, and all the guests here, I know in Newark here we have made a good start on the homes for the aged, two of them almost complete and families will be moving in, I imagine, around January.

What we need along with that, not alone homes for the aged, but for the rest of the housing, is a little different, what I am going to bring up. You know, we all love children and I believe that if facilities were sent in to these communities where these new houses are going up for recreation for the different age groups of children we would have less vandalism and probably less of the elderly children, or the teenagers, getting in trouble, programs for them to keep them occupied.

We have, I believe, about 198 or 200 units that will be opened up in January for the aged. And from what I understand I guess there are about 1,700 applications for the new homes. There are others going to go up, or probably some already in building, in different parts of the city. But that is one of the things that has to be followed up, along with what some of the other speakers have spoken about, medical care. I believe any doctor in the city of Newark that has made any visits to the housing projects once never go there a second time. They are afraid for some reason to go into these buildings to visit any tenants.

Senator WILLIAMS. Could you clarify that? What is the thinking of the doctors?

Mr. ENDER. The place is isolated, the grounds need more lighting around them. We have police protection, two policemen, which isn't enough, we need more. And I believe appropriations should be given to the cities that are building these places so they can hire the adequate people to police and take care of these places. That's all. I thank you.

Senator WILLIAMS. Thank you.

STATEMENT OF DAVID NACHMAN, ELIZABETH, N.J.

Mr. NACHMAN. Honorable Senator Case, Honorable Senator Williams, ladies and gentlemen, I am David Nachman. I am a member of the Elizabeth group. The lady before me told you, we are 200 strong there, a little over 200.

We need housing there very badly. It seems that a number of communities have fared much better from the Federal Housing Administration or from the capital than we did. We seem to be neglected there.

There is a certain Mr. Farley who has started housing there. He started one unit of about 250 tenants but the demand there—or, rather, the requests at present are over 700. And nothing else is being done in that regard.

Now, gentlemen, I am instructed here, to the honorable Senators, that some action should be taken and some action should be taken a little sooner, because the way things are going it seems to be going at a snail's pace and by the time any action will be taken most of us around here will be gone at the rate it is going now. That is why the sooner the better for all of us. We are all in the ages above 65 and the time is limited.

Second, as I understand, we have about 15 or more millions of senior citizens in the United States. I don't know if we are quite a majority, or quite a number, but when it comes to a bill for health and medical support for the golden agers we don't seem to have strength enough

to outvote the AMA. They seem to dominate this here situation and they wouldn't let it pass through.

I would like to know what happened to the Forand bill. There was a Forand bill and we signed for it, and we all made applications that it should be adopted and nothing seems to have come out of it.

Something has got to be done in the two places. We need housing because we can't help ourselves at this age. We are not in the earning capacity any more and we don't want to take charity. I think the Government owes it to these people, this kind of a support. As far as health insurance—health and medication is concerned, I think it is an easy matter and wouldn't be much of an expense if this is added to the social security problem.

Thank you.

Senator WILLIAMS. Thank you very much. I have a feeling we should have invited some doctors here today.

STATEMENT OF MRS. JOSEPH GUTKIN, ELIZABETH, N.J.

Mrs. GUTKIN. I am Mrs. Joseph Gutkin. May I have just a word? I am also a member in Elizabeth. I am one of the committee.

I just want to ask—or tell you gentlemen, last year I sent in petitions to both of you, one to each, one petition with the signatures of 245 members and one with 175. And that was in reference to the housing administration.

I will now speak for myself, my own experience. And this is about medical care. I am 75 years old, my husband is 80. I thank God that I am in good condition considering my age. But my husband has diverticulitis, and he has arteriosclerosis from head to toe, and his medication bills are quite large, four tablets twice a day, plus drops, plus treatments. And we are doing—or have to do that on \$135 a month social security. And hospitalization he has not. He had a stroke in May. And we have had quite a difficult time.

So I am just appealing to the good offices of you gentlemen to see that we get medical and hospital care. Thank you.

STATEMENT OF OSCAR CHAREN, NEWARK, N.J.

Mr. CHAREN. My name is Oscar Charen. I reside at 62 Seventh Avenue, Newark, N.J. I come up here to pose a different question. What I am going to speak about is that we as older citizens want to be useful and productive human beings, not objects of charity and sympathy.

I would like to see something done that we who are in the older bracket would be able to get some kind of a part time job so we could subsidize our income because most of us are living on a limited income. And I think if some of the companies in conjunction with the different—that is, the various governments would publicize us more perhaps those of us who are able to could get part-time jobs. That's one thing.

Another thing, I am going to pose something new altogether. I haven't heard it at all. Transportation for older adults. I understand that in Detroit they have such a thing, because it is owned by the city, that's the transportation, is that right?

Senator CASE. I don't know. Sorry.

Mr. CHAREN. Anyhow, I understand that they have some kind of a stagger system there whereby the older people get reduced rates at certain times of the day, that is, during the nonrush hours. I know that's been taken up because I belong to an older adult club and we discussed that several times. And I know that the CIO and the A.F. of L. here in New Jersey is working for that.

And while I am on the subject of the CIO and the A.F. of L., I think the men behind that—and women, as well—deserve a lot of credit, more credit than we think they really get, and I think we should give them a big hand because they really are behind the help for older adults. I know Mr. Compton for one, I know Mr. Wagner and Mr. Callao. These gentlemen all work hard for the benefits of older adults.

And another thing I would like to say. Here is something that when I walked in the drugstore the other day I noticed. It is called medical aid for the aged. I don't know if any of you people ever noticed it. This is a new gimmick. This is put out by—you know who, the AMA. And this is something you get for free, without a doctor's prescription. But it is put out by the AMA. They are in favor of this. They favor the medical aid bill as it is now. That's the Kerr-Mills bill. Under that bill you must take a pauper's oath. I presume the Senators know about that. And you also must put yourself under the means test. And that's awful. It is very embarrassing, and it is very wrong for anyone to take anything like that because it means that your children's children will have to pay your bill, if you should ever require any aid from welfare.

Now, another thing. I know we have had several conferences on a county level, in fact, starting out from the Newark level. In Newark we have older adults, we have them on a county basis, we have them on a State basis, and we have them on a national basis. In fact, we had a White House conference. What was accomplished at the White House conference that showed results? So far I know it is like the weather. We all talk about it but nothing is done about it. So I would like to see something done about this health or assistance to the aged. I know the medical aid bill that is before Congress now, I am sure Senator Williams and also Senator Case is behind that. I know they are in sympathy with it. And I hope and pray to God that this will be acted upon at the next session of Congress.

Senator WILLIAMS. I was very interested in your observation on reduced fares on public transportation vehicles during nonpeak hours. Tomorrow morning I am going to advance your idea to the American Transportation Association when I speak to them in Dallas and we will see where they go with it.

Mr. CHAREN. I know in Detroit they have the municipal transportation and during the nonrush hours they have a reduced rate for older adults.

Thank you, Senator.

Senator WILLIAMS. Thank you very much.

STATEMENT OF JOHN ALEFFI, UNION CITY, N.J.

Mr. ALEFFI. Senator, ladies and gentlemen, my name is John Aleffi, old age committee from Union City. Since 1952 till this minute I have worked diligently to help old aged people. Please, if you don't mind, I read a few words.

Senator WILLIAMS. You brought some placards in here, didn't you?

Mr. ALEFFI. Yes, sir; right here. I got a lot of stuff here.

Senator WILLIAMS. I thought I saw you hold them up when Judge Hughes was speaking.

Mr. ALEFFI. Voluntary.

Senator WILLIAMS. Very good.

Mr. ALEFFI. Since 1952 I have worked diligently for a home for senior citizens who are unable to pay \$50 a month for one furnished room without kitchen facilities.

What do I mean without a kitchen facility? That means that old aged people they live in one room, dark, no comfort. They don't see nobody. They could die any minute. They got to go out three times a day to get a cup of coffee or have a jelly doughnut, not the food, just doughnuts. Three times a day in the snowstorm, rain, drizzle and tide. Eighty-four years old.

Those people worked in 1900 for low wages. I worked for 7 cents an hour and then they go up to 12 cents an hour, 1908.

Today many of them have lost their savings, a home and family and they are trying desperately to live on an insufficient pension. And millions of these aged people, they build America and they should without any doubt be furnished with proper means and shelter. In 1 year I guarantee anybody—I prove it here; I campaign voluntary and I have been showing everybody—in 1 year we have more than 150 elderly persons who committed suicide by living alone. If the Government had started in 1952 when I first started working on this problem by writing countless letters to our legislators we would have more low rent housing and also a home for senior citizens.

I am retired and I walk around, I listen, I watch. On the snowstorm I saw a lady there working on snow 2, 4, 10 miles, going to church, going to dance hall with her niece, with her nephew. She is a very wonderful old lady, healthy. I know personally, 62 years old, that can't even move a chair.

People over 75 years old should not be living alone. They have raised sons who went to the war never to return and they suffered heartbreak. This problem has been ignored for many years and I have noticed that many people have criticized me for my efforts and I do not believe that a workingman who has voluntarily given his time should be penalized.

Today I am happy to see that Federal Housing Administration, the White House, is cooperating in building low rent housing for elderly people. I am proud that building low rent to the old age people.

My problem is not a made-up story. I have seen these things myself during my 35 years I work as a painter and interior decorator, and I know these problems exist, not only in New Jersey, but all over the country. Whether my face is strange or familiar does not make much difference, the idea is what is important because my efforts in behalf of these people was done with honesty and sincerity with no thought of monetary gain and not for myself.

Low rent housing is not enough for our older citizens, we need a home for these people who are not capable of caring for themselves after an illness.

We never see bill for home for old aged people. We do not disapprove spending money, but the Government should not forget our old aged people home. We know now that the Government today do much good work and believe itself should take some interest. The generous institution toward this worthy and essential cause is greatly needed. It will do much good and be deeply appreciated with Government support.

The Government should press in every feasible way for this idea. The men and the women who with their minds, their hearts, and the wealth that is shared in this country, they are American.

We believe the creation of a home for old aged people is most important and a necessary issue in our Nation today. We have lived in United States 55 years and we have never seen such a disinterested public regarding a home for old age folk. The love story of old aged people, ladies and gentlemen, is not necessarily ended. They are romantic and they expect to come up in 1961. This could be the year of decision. I have done this work not for myself but to aid humanity.

The first lesson taught me when I started school at the age of 6 years was to respect and love our elders. I was also taught to protect our elders when protection was needed. And when you grow old that is when you require protection.

President Kennedy said: "What you do for your country?" He is right what you can do for your country.

This is my story, this idea, to help humanity. I think that I have done my share. Here is my share right here.

I would heartily thank any office, or the White House, or the State that would help this worthy problem. American people have been the most disinterested people in the world. Before I started this in 1952 I never see one paragraph. Today in every paper we see need home for aged. I am happy.

I am proud to be Italian-American citizen. I am proud for this beautiful country. I am proud that I raise a children, me 9, wife 10, and the house 11, them day when we take \$10 a week. It was terrible.

So, ladies and gentlemen, I think I have been doing my work sincerely in regard to old age people. I got experience. In 1949 a mother was sick on the bed. I was painting. She told her daughter, "Hey, Maggie"—she wanted medicine. She don't listen, Maggie. So I went there and I said, "Lady, what's the matter?" She said, "I need medicine. Will you call my daughter?"

So I went there. I called her daughter. When I knocked on the door the dog wanted to bite me. I said, "Listen, you better come out here. Your mother wants medicine." So when she come out the dog give me dirty look. So I tell them, "Listen, why don't you go over to your mother with medicine?"

"Oh, this old age people make me sick."

"They make you sick? Your father go to vegetable market to pick up vegetable. Now you say, 'Make me sick, make me sick.'"

There was another place, a son-in-law. He wait outside the door on this social security day when they got the check. I was watching. I work, and that is from experience, ladies and gentlemen. I don't read no magazine. So the mailman come, he got the check. He bring:

it up to the old man. The old man sitting there, read the newspaper.
 "Hey, pa. Here's the check, here."

"All right, wait, wait."

"What you wait for? What you look for?"

"I got to look for a pen." Eighty-three years old. "Here, here is a pen. Sign the check."

Another place. The mother, she had rheumatism, can't go to the store and buy stuff. And she told him, "You go to the store for me? Be good boy."

"Oh, I'm tired, mamma." Eighteen years old.

"You better go there. Poppa come home and he don't find nothing."

"Why don't you go?" If I was there with a brush I'd slap the brush on his face. Anyway, the mother she was crying. "What's the matter? Look, I give you milk when you was a baby. Now you don't want to go to the store."

"Here is a half a dollar. Buy all the milk you want."

Thank you. God bless you.

A VOICE. I would suggest you stop the discussion. I would like to hear your opinion. What did you learn from this meeting, sir? I have been here 2 hours listening to everybody. But in the meantime you didn't summarize anything. I would appreciate hearing from the Senators now.

Senator WILLIAMS. I think we will at the conclusion. We are trying to accommodate our folks here who have to go back to Washington.

A VOICE. Most of the people have gone already.

Senator WILLIAMS. All right. I think Senator Case and I would like to make concluding statements.

This young lady here does want to make one concluding statement.

Mrs. ROSNER. Mr. Senator and friends, there is one question that I wanted to bring up in my talk before and completely forgot about it. As you all have seen, I have written my program. The story of the elderly that have hospitalization, when they were young they got 120 days in their contract, but when they get over the age of 60 their contract drops down to 30 days. What are these people to do, Mr. Senator? They have to have money. We have an example where a man was in the hospital a little over a month and he got his 30 days from hospitalization. He is a very poor man. How is he to pay his expenses? The hospitalization has been raising their moneys every year and to pay for 30 days is a disgrace.

Mr. Senator, this is very important, too. Thank you.

Senator WILLIAMS. Thank you.

STATEMENT OF MISS SHERLOCK, BERGEN RECORD

Miss SHERLOCK. Pat Sherlock from the Bergen Record. This is my question. Under present Federal tax law in order to sell a house at a profit you must pay a tax on that profit unless you reinvest in another house. I presume that many older people have homes they can sell at a considerable profit over what they paid. They would do so to acquire the cash to spend or invest in some income-producing way, to pay some of the costs, perhaps, of retirement.

My question is this. I would like to know if Congress has considered a tax exemption for the elderly in this position and if not would such a proposal be feasible?

Senator CASE. This question is addressed to us?

Miss SHERLOCK. Yes, both of you.

Senator CASE. I am not aware that this suggestion has been made before. Certainly it has the merit of deserving presentation to the Ways and Means Committee of the House. And I know our staff will be glad to present it to the Ways and Means Committee for consideration. Before I expressed any final view on it I would want to have the thing thoroughly explored in hearings, which would have to be, of course, since the Senate can't start any tax legislation, before the House Ways and Means Committee.

Senator WILLIAMS. It is a proposition that I haven't heard expressed before, either. We knew there are in the tax laws certain benefits that are written into the laws for elderly people, and we do know we have one in the State of New Jersey of rather recent origin. In other words, we do know that older people on reduced incomes should receive certain tax advantages. This might well be one that would make a great deal of sense.

STATEMENT OF FREDERICK BROWN, KEARNEY, N.J.

Mr. BROWN. Mr. Chairman, my name is Frederick Brown. I am from the Kearny Senior Citizens.

I am one of the rather fortunate ones that belong to the old age groups. But at our meetings lately I, as an officer, have been approached by a number of people regarding getting rooms in our town. In our town there is no such a thing, that I know of, as this housing for the aged. We have locally got some recognition lately for games and that. But the problem there, the housing problem there in our town is very bad. And I think, Senator, that if these two problems, the problem of old age housing and the problem of hospitalization (under social security, if that was taken out of partisan politics—it seems they are just fighting one against the other on these things. I am a Republican myself, but I am for that hospitalization that has been brought up by the Democrats. I heartily endorse their program.

And there are some other things. It seems to me that everything that goes down there is partisan politics. One side wants one and one side wants the other. Until they get together down there—and especially on things for the aged—if they can get together for the old age people and work out some problems for them. They are all Americans, these old age people. They are all Americans and they deserve all they can get.

As far as the hospitalization coming under the social security, that's been paid for by the majority. I have paid for it myself through social security. And there are very few that haven't paid something toward it. If it does go under social security they paid for it. And I think if they can get away from it in these problems—other problems, yes, they are all right for partisan politics, but these things that are connected with the aged, if they could get away from partisan politics down in Washington I think that they should.

I thank you for having the privilege of talking to you personally, both of you. I have written to you at different times, but it's the first time I have ever talked to you personally.

Senator WILLIAMS. I will work on the Democrats and Senator Case will work on the Republicans.

Mr. BROWN. I hope you will.

Senator WILLIAMS. I have twice as many to work on, but I will have an easier job than he will.

I did want to make one announcement. For everyone who didn't get a chance to speak, who did want to offer the committee some of their experience and thinking, we do have forms prepared, you can take them home and send them back to us.

STATEMENT OF LOUIS ESTRIN, NEWARK, N.J.

Mr. ESTRIN. My name is Louis Estrin. I practically lived here all my life in this city.

I have listened here to everybody, how or when, but this wasn't enough. I haven't heard one word said about there are people here that their earnings have not come up to the highest of social security, that have been working doing manual work, and different work, that never did bring up the standard that they could pay or earn. But at the same time that same manual labor that has been done by these people were work that you, or I, or anybody else—if it wasn't done by these here people we couldn't live or exist because our face would be filthy and everything like that.

These here same people, they get older, the same as everybody else, and they have not earned as much as the ones that have. Why shouldn't the man, when he gets to be old enough, at that age, and he is fortunate enough to live to be that age, why can't we give him the same amount as the man that has what we say he earned? There are people that they get their pensions from unions or from plants. But there are so many little businessmen that had a little store, spent all his life, and today can't show any earnings, but he has a right to live. Then why can't we give this here man the same?

I believe I have heard in California that if a man—say, his social security amounted to \$40 or \$50, the State brings him up to the full standard of whatever the highest man gets. This is what I believe should be done.

And then there was one other remark I heard here which I thought was very good, about these new monstrosities that they are putting up so high, instead of putting up places that are small, that you can get around, not to go into a place that you are afraid to go into an elevator. I have been living in this city 70 years. And I would say this, that today I am afraid to go out of my house after it's dark on account of these things. But I think you consider this here poor unfortunate that hasn't got a gosh darn thing and he can't get anything there. See if you can't get something for him. I don't ask anything for myself.

Senator WILLIAMS. Thank you.

Mr. ESTRIN. And I say, let the Senators from all over the country take notice of this. We have here Senator Williams and Senator Case. When it comes to anything that is good for everybody, re-

ardless whether he is a Republican or Democrat, these two gentlemen are right there. And I am proud of them.

Senator WILLIAMS. Thank you, sir.

Senator CASE. Thank you.

STATEMENT OF DR. EUGENE SHALVOY

Dr. SHALVOY. My name is Dr. Eugene S. Shalvoy. I would like to thank Senator Case and Senator Williams for their patience and their consideration. And I would like to make this suggestion about transportation. They have a transportation of students for 8 cents under Public Service. There was a gentleman spoke before me and I think he made a very good suggestion that between the hours of 10 and 2, or some other suitable hours which are not rush hours, the Public Service could very well make that concession to elderly gentlemen and elderly women so that they could go, say, from Newark to Elizabeth, or what not, without it costing them a tremendous amount of money.

Another thing. We have a golden age club. I have two tickets here for my wife and myself and we can go to the Proctor Theater—I think it is—and the Adams, and Paramount, for a reduced price. And on our birthday they give us a free ticket for myself and my wife to go. And I happened to see "Francis of Assisi," and I would recommend you to see that picture.

Thank you very much.

STATEMENT OF BENJAMIN REID

Mr. REID. My name is Benjamin Reid. I just wanted to speak to Senator Williams concerning—this didn't come in with the meeting but 5 years ago my fraternal organization made application for a mortgage to build homes for the adults. At that time we had \$30,000. Senator Case knew of this project, because he was supposed to have helped us. This project for the fraternal organization was going to be built in Rahway. We had 17 acres of land there, which we still have. At that time we couldn't get an OK to build. We went to Washington, we went to Trenton and we went everywhere. We went to Senator Case, we went to Mrs. Florence Dwyer. Everybody says, "Well, you go see somebody else." So we never could find the right person.

Today we have \$130,000 and we wanted to know can we build a house for low rent people, can this organization qualify? In other words, my question is, Can this organization qualify to build this home for the aged?

Senator WILLIAMS. Unfortunately, Mr. Spector, the administrator of the program, had to leave to catch his plane. He would probably be the best man to ask. And I think if we could have a little more description on paper, if you take one of our forms here and describe it to us, we will talk with Mr. Spector. And, on the face of it, I would say it should qualify.

This has been an extremely productive, a very fruitful day for this committee, and we are grateful for all who have brought so much information to us. I know that it will help me in my work on the Banking and Currency Committee where we have the housing legisla-

tion. I know that it is the consensus here that there is a desperate need for more housing for elderly citizens, wholesome housing at realistic rentals, rentals within seriously reduced incomes. And we know, too, that this housing must adapt some of the best community features, it must strive for clinic services, and many other facilities that are particularly needed by people in advancing years.

I think that beyond that we certainly had some very graphic and very useful testimony reciting the real need for a medical care program that is not charity but an insurance program within the framework of our social security system.

I would say these are the two great highlights of this meeting in its formal aspects this morning and its very warm, human town meeting aspects this afternoon. Senator Case.

Senator CASE. As I said at the beginning, I want to thank the subcommittee and the chairman, Senator Williams, for letting me, though not a member of the committee, participate. I have gained a great deal in the way of insight as to the problems that we face in this area. I am more convinced than ever that there is no single solution, that health is a most important aspect of the problems of the aging, and, of course, as I think is generally known, I support, too, the placing of health insurance for the elderly under social security, and I shall continue to press for it. I hope we get it at the next session of Congress.

On the housing side, I think it has been made quite clear that the housing bill passed in the last session has a great many different kinds of systems, provides for many programs which are useful in this area. The question of getting them into action now is the problem. And I think under Mr. Spector's guidance this will be done.

The testimony given here as to the particular things that are necessary in the way of housing, in the way of health care, in the way of other facilities for our older citizens, has been most illuminating to me and it will be helpful in my work in the Congress and Senate next year, especially as a member of the Committee on Labor and Welfare.

Thank you.

Senator WILLIAMS. Mr. Hasch has given me a booklet here describing a program for housing in Germany—

Mr. HASCH. Hospitalization.

Senator WILLIAMS. Oh, hospitalization. I am sure we have linguists on our committee who will translate this for our committee files. We are grateful for it. On housing, we do know that there are many, many countries that are far more advanced in meeting housing needs for senior citizens than this country.

Yes, Mr. Hasch.

Mr. HASCH. We wish our two great Senators for our great State the very best success of the organization and thank you for listening to our hard luck story.

Senator WILLIAMS. Thank you. We will now adjourn.

(Whereupon at 5 p.m. the subcommittee adjourned.)

APPENDIX

ONE-FAMILY DWELLINGS FOR THE AGING: THE ROLE OF THE PRIVATE BUILDER

(By Robert Schmertz, president Robilt Inc. Lakewood, N.J. and past president, New Jersey Shore Builders Association, director, National Association of Home Builders)

The controversy raging around the subject, "Which type of housing is best suited to the needs of our aging citizens?" can, to a large extent, be resolved by remembering that senior citizens are just a cross-section of our population which has grown older.

Thus, there are senior citizens who want and require one-family dwellings; there are those who prefer to live in urban high-riser apartment houses; there are those who prefer garden apartments. A man's housing needs are the same at 65 as they were at 64 and, in fact, much the same as they were at any time after his children are grown up and living away from home.

The only real considerations peculiar to housing for the aging are (1) the need to reduce energy-consuming tasks around the home and (2) the need to provide medical, social, recreational and environmental facilities suitable to men and women who have a great deal of free time.

With these considerations in mind, let me, first, give you my reasons for believing that we should encourage approximately the same ratio of buyers to renters (2-to-1) as exists nationally. These reasons are based upon my observations as a large builder in the Lakewood, N.J., area which is particularly attractive to senior citizens in the Greater New York metropolitan area, upon conclusions reached by the Division on Aging of the State of New Jersey which has been very active in studying the needs of our senior citizens, upon the recently issued report of the White House Conference on Aging ("The Nation and Its Older People"), and upon an exhaustive study of the problem recently concluded by the Douglas Fir Plywood Association, Tacoma, Wash. ("Builder's Guide to the Retirement Home Market").

One of the most serious problems facing a man who has recently retired from a long and active professional life is the sense of emptiness and uselessness that soon descends upon his existence. Psychologists and social workers who face the problem daily all across the country tell us that there is a clearly established relationship between this loss of morale, this sense of doing a useful, productive job, and the swift deterioration of the individual's physical well-being. It is no exaggeration to say that our hospitals and mental institutions are today crowded with elderly citizens who are literally pining away because of their inability to reconcile themselves to a place on the sidelines.

Of course, professionally supervised social day centers, such as are now being successfully employed in large urban areas, are one answer. But they are not the answer for localities all across the Nation where the cost of building and professionally supervising such an establishment is completely impractical.

A very significant contribution, I believe, is the encouragement of single-family dwellings for the aging which take into consideration their relatively limited energies and their special environmental needs. The small tasks involved in the maintenance and landscaping of a small home on a small lot are widely believed to be of the highest therapeutic value. Physically, it prevents the aging man and woman from falling into the disastrous atrophy which almost inevitably leads to decline and dependance; the light tasks—and genuine rewards—which we have all experienced in gardening, in easy do-it-yourself projects, and in neighborly self-help activities are necessary to keep blood circulation, bones, heart, reflexes, etc., at a healthy level. Psychologically, nothing can replace the sense of pride and independence that comes with the responsibility for a home and property. The task of keeping the stormdoor well oiled, the rose-

bushes pruned and the fence painted gives a couple the satisfaction of knowing they are still needed, still of value. This kind of activity provides them with tangible day-to-day results that are impressive. And, of vital importance, it occupies a mind that might otherwise dote upon disappointments, insecurity, and death. Make no mistake about it: with the aged, both physical and mental health are directly related to the individual's activity.

One more point in support of one-family dwellings for the aging. I have already mentioned the need for smaller homes on smaller lots because of the individual's relatively limited ability to take care of property. The income of the senior citizen is both rigidly fixed and small. He needs a home that is small enough to afford without straining his capital and fixed income position. Yet, given this type of home, the senior citizen almost always uses his ample time to improve his property, to raise the level of his neighborhood, and to improve its resale value. In short, he continues to remain a productive member of society, helping himself and his community.

What, then, is the role of the private builder in providing the kind of single-family dwelling I recommend for a large portion of our senior citizens?

I refer once more to the statement I made earlier: our senior citizens are just a cross-section of our population grown older.

It seems to me there is no question but that the private home construction industry, which has succeeded in providing, thus far, for the overwhelming majority of our Nation's housing needs, is the group to take on this specialized job. Certainly there can be no question about competency in this area, for home construction is a complex, highly technical activity which requires the experience and dedication of a specialist. If the housing industry was capable of providing so many millions of housing units at low cost since the end of World War II, it is just good sense to entrust it with this task, as well. It is foolhardy, in the extreme, it seems to me, to imagine any other group providing the low cost, the quality, and individuality which can only come from a competitive, private effort by veterans in this field.

We need not dwell here upon the advantages of private enterprise over publicly sponsored, publicly built, publicly financed housing. These arguments are well documented and I am sure that you gentlemen, like a majority of Americans, are convinced that private enterprise can do the job better.

There is only one argument for direct Government activity in this area and that is any unwillingness or inability on the part of private industry to tackle and solve this problem. This, however, is far from the case with the building industry.

One study mentioned above, which was conducted by the Douglas Fir Plywood Association, has been very widely circulated to builders all across the country and many, myself included, are even today actively working to ease the problem regionally. There is widespread activity by private builders in Florida, California, Arizona, and New Mexico, all of whom are designing entire communities of one-family dwellings tailored to the needs of our older population. Under the sponsorship of the Douglas Fir Plywood Association, American Association of Retired Persons, and the National Retired Teachers Association, a model home called "The House of Freedom" was designed to incorporate a wide variety of features which would be of great value to our senior citizens. It was put on display in Washington, D.C., and drew thousands of senior citizens to view the first home specially designed with the older couple in mind. It is already being sold in Cape May, N.J., and Miami, Fla., and builders across the United States, myself included, are studying it for ideas.

Beyond this activity, the building industry, as represented by its many trade publications, is paying particular attention to the problem. House and Home, Architectural Record, American Home, Lifetime Living, F. W. Dodge Corp., Journal of the American Institute of Architects, Architectural Forum, and Practical Builder have all made significant contributions to the Nation's understanding of the needs of the aging.

In conclusion, let me simply reemphasize my two main points.

First, there is a definite need for low-cost one-family houses for the aged, a need that is directly related to their physical and mental well-being. And, second, that the private housing industry is more than ready, willing, and able to meet this need efficiently and economically.

[From the Editor's Corner, Jersey Architect, September 1961]

GOLDEN AGE GHETTOS

Recently we had a chance to review the results of a survey made during the White House Conference on Aging which took place in Washington earlier this year. Several thousand adults, nearly 90 percent of whom were 40 years or over, were asked their opinions on the various kinds of housing they would prefer to live in when they retire.

The questions were the obvious ones dealing with regional preferences, finances, types of housing and facilities and features desired. Some of the answers, however, might surprise those in the building field who are eagerly pursuing what is now being happily billed in the trade as the profitable old-age market. The answer to one question, in particular should cause those in Government and welfare agencies, as well as industry, to take a hard look at the theories under which they are operating.

To the question "What type of community would you prefer to live in?", the answers were as follows:

	<i>Percent</i>
A very small community specially planned for older people.....	15
A large retirement community like those in Florida or Arizona.....	10
A mixed community with families of all ages.....	75

Obviously three out of four persons do not wish to live in the types of retirement housing which real estate promoters, builders, government agencies and welfare organizations seem to think they should live in—the separate housing facility for the elderly * * * whether it be a giant Arizona development, a municipal public housing project, a hotel for senior citizens, or a church-sponsored retirement village. The fact that decent housing for the elderly at a reasonable price is oversubscribed almost immediately is indicative of the desperate need of any sort of housing by this group not that such housing is preferred over all others.

More than a year ago, we discussed in this space the growing problem of housing the elderly. At that time we seriously questioned the wisdom of separating the elderly from the mainstream of everyday life and placing them in separate housing colonies of their own. Since then, as more and more old-age housing programs are being planned and in fact, old-age housing is apparently becoming a vogue among builders, welfare groups and government agencies, we are even more convinced that physically separating our older generations from the rest of society is foolish, wasteful and cruel.

Making elderly people into 20th century "untouchables" and turning them out to pasture in "golden age ghettos" which cater only to their physical infirmities and their most shallow social needs may be an economically practical solution to an admittedly difficult problem but we think the price exacted in destruction of the human spirit is far too high. There must be a better way to solve the problem.

NEWARK, N.J., October 3, 1961.

Senator McNAMARA:

DEAR SIR: Writing to you after reading in my newspaper what you said—"We value expert testimony" on hearing what the senior citizens live on after their retirement.

When I retire my income per year will be \$1,700. If I work until I am 69 years old my retirement pay will be \$2,200 per year. I am 64 years old now.

But if I retire at 64 or 65 I still will only get \$1,700 and pay 7 percent of my pension for next 5 years. My health won't let me work that long. The housing project I live in now on my \$4,000 per year salary, I pay \$81 per month; \$4,000 is before anything is taken out such as pension, income tax, and hospital and medical plan. Then it falls down to \$3,200 per year. As the housing project states when I retire they will cut my rent in half. But our food, hospital and medical plan still stays at top prices also must pay 7 percent of my pension salary for next 5 years so you can see there won't be much to live on out of \$1,700 per year. For 20 years I and my wife had our hearts set on going to Florida to live, but they have no low-rent housing projects in Florida. If you can get some loans from our Government like the foreign aid loans and have low-rent-housing built in all the large cities in the State of Florida, for the old people then we could get to live there and be happy. Yes in Newark, N.J., they have

low-rent housing projects built for old people, but they are built right next door to projects built for families with children and that is no place for old people to live. Why I know because I now live in one and children are allowed to play in the hallways, mark nasty words on inside and outside of buildings, play ball between buildings and there is no place us old people can sit and walk without fear of getting hit with a baseball or stones, or hit by bicycles that children are allowed to ride on the sidewalks in the project. If we complain to the management these hoodlums break our window with slingshots. Project should be built far away from projects where there are kids living.

We are,

MR. AND MRS. JOHN WITTICK.

NEWARK, N.J., *October 16, 1961.*

DEAR SENATOR WILLIAMS: I am 68 years old and receive \$95 a month social security. I have a part-time job which gives me \$1,200 a year. This amount helps me to get along toward my expenses of rent, food, etc. I would like if they would make it \$1,500 or \$1,800 a year with nothing taken out as it is now for the \$1,200 as I can get some extra work. I can't afford to work over my allotment now and take a chance of losing some of my social security.

Hoping you will try to do something about this as I could use the extra money.

THOMAS SMITH.

NEWARK, N.J., *October 16, 1961.*

DEAR SENATOR WILLIAMS: The writer desires to express his appreciation for the opportunity to attend the hearing this afternoon * * *.

My situation, Senator, is this: My wife and I are 75 years of age. We are both in fairly good health, for which we thank the good Lord. I retired 10 years ago and we are receiving \$148 a month social security. We have no other income. I have done a little part-time work for short intervals. Now I can't seem to get any kind of a job.

When I retired 10 years ago I had about \$8,000 in savings. We have never owned a home or any property. It breaks my heart when I realize all the money we have paid out to landlords in the 45 years we have been married and lived in Newark and the Oranges. For the past 15 years we have been living in a two-room apartment with a tiny kitchenette for which we are at present paying \$70 per month. It is a rather rundown 40 year old apartment in the west ward of Newark. When we first came here our rent was \$45. It remained at \$50 until the rent controls went off and we have had it raised four times since then. I have decorated my apartment twice since we have been here and we have never had any improvements made by the landlord since we came here.

We are the only retired couple living in this apartment which houses 18 families. We do not know where we can find anything cheaper. I have now used up all our savings and have less than a hundred dollars in the bank. We never had any children, I am sorry to say. Half our social security goes for rent and the other half for food. Everything keeps going up as you know. We have nothing left for clothing, medical care or recreation. It's a tough life, Senator, and getting tougher.

If we could find a couple of rooms where the rent would not be over \$50 a month and we could get free medical care we would be very happy. So for the sake of the 35 percent of the New Jersey senior citizens with incomes less than \$2,000 lets get some action. The Kennedy administration has been a big disappointment thus far, Senator. Take it from there. I am a Republican. Am sending copy of this to Senator Case.

EUGENE H. WALTON.

EAST ORANGE, N.J., *October 17, 1961.*

DEAR SENATOR WILLIAMS: I am in my 76th year. I wanted to ask what is to become of all the elderly people whose homes are in the hotels and rooming houses when they are torn down for the new highway? Coming out from the meeting I met a 73-year-old American lady who had to remain at home with her family. It was too late when she tried for a job, too old, no experience hence no social security. That was precisely my case. I have written many times in detail. I feel we are the forgotten oldtime Americans. I don't want a home,

just enough to maintain a room for the rest of my days. I have lost 24 pounds worrying. Many thanks to Senator Williams.

It seemed to me most of those who spoke in the afternoon thought the Government was for taking care of everybody from the cradle to the grave, when instead the people are the Government.

From street lights to police so they could go out at night, we have all of that and still afraid of going out after dark.

I'm happy to say my folks did plenty toward the progression of this State.

Some man said if they live in hotels let them take care of themselves, when these are all cheap old hotels in East Orange. I have just moved to one at \$10 a week—but I lived in a \$5 a week room for 12 years, knowing one of these days I would have to meet this growing inflation. (Thanks to unions these days for inflation.)

MISS LILLIAN N. SCHNUERIGER.

